



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



## Report of the regional preparatory meeting for the Latin America and the Caribbean Group for the UNIDO global consultations on circular economy

19 November 2020



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## I. Introduction

1. The General Conference, in its resolution GC.18/Res.7, requested the United Nations Industrial Development Organization (UNIDO) to organize consultations on circular economy for experts from Member States with a view to facilitate exchanges on best practices, emerging innovations and the promotion and adoption of circular economy principles and practices by industries of Member States.

2. The objective of the global consultations on circular economy is to consider ways and means to promote circular economy principles and practices, in particular in developing countries, identify barriers and devise action-oriented solutions.

3. The global consultations will be convened using the UNIDO System of Consultations<sup>1</sup> as a guiding framework, taking into account developments since its adoption, lessons learned, outcomes of the respective evaluations and restrictions imposed by the current COVID-19 pandemic.

4. A series of regional preparatory meetings was convened in November 2020 to allow Member State representatives and other stakeholders, in particular from developing countries, to present their initial views on the topic of circular economy and identify issues that will shape the debate at the global consultations.

5. Member States selected the following two discussion topics for the global consultations:

(a) Topic 1: Circular economy as a substantial contribution to addressing the climate crisis and advancing the achievement of the Sustainable Development Goals (SDG);

(b) Topic 2: Mobilizing finance, technology and capacity-building to promote circular economy principles and practices in developing countries.

6. Based on the above-mentioned topics, the deliberations at the regional preparatory meetings were guided by the following questions:

(a) What do you see as key benefits your country, company or organization can derive from adopting circular economy principles and practices in terms of achieving Sustainable Development Goals and meeting national climate change priorities?

(b) Are there successful examples of introducing circular economy principles and practices in your country, company or organization, including policy and regulatory frameworks as well as national, multilateral, bilateral and South-South cooperation initiatives and partnerships?

(c) What are the barriers impeding the adoption of circular economy principles and practices in your country, company or organization?

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<sup>1</sup>[https://open.unido.org/api/documents/4792485/download/THE%20SYSTEM%20OF%20CONSULTATIONS%20\(11648e.en\)](https://open.unido.org/api/documents/4792485/download/THE%20SYSTEM%20OF%20CONSULTATIONS%20(11648e.en)).

(d) What support, including arrangements for access to finance, technology transfer and capacity-building, would your country, company or organization require to enable the adoption of circular economy principles and practices?

7. The global consultations on circular economy are tentatively scheduled to take place in the first quarter of 2021.

## **II. Organizational and procedural matters**

8. The regional preparatory meeting for the Latin America and the Caribbean Group was held virtually on 19 November 2020. Simultaneous interpretation in Spanish and English was provided during the meeting.

### **Participation**

9. The following 11 Member States of UNIDO participated in the meeting: Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay, and Venezuela (Bolivarian Republic of).

10. The following United Nations entities were represented: the Food and Agriculture Organization of the United Nations (FAO), the International Atomic Energy Agency (IAEA), the International Maritime Organization (IMO), the International Telecommunication Union (ITU), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Environment Programme (UNEP), the United Nations System Staff College (UNSSC), the United Nations World Tourism Organization (UNWTO), and the World Bank Group.

11. The following international organizations were represented: Centro Regional de Energía Renovable y Eficiencia Energética de los países del SICA (SICREEE), the Climate Technology Centre and Network (CTCN), the Global Environment Facility (GEF), and Secretaría General del Sistema de la Integración Centroamericana (SICA).

12. The following non-governmental organizations were represented: Consorcio Ecuatoriano para la Responsabilidad Social (CERES), Fundación Cristina Cortinas, IDE Business School, La Cámara Nacional de la Industria de Transformación (CANACINTRA), Universidad Centroamericana José Simeón Cañas (UCA), and Universidad UTE.

13. The following private sector representatives participated: Deloitte, ELALCO, Unión Andina de Cementos (UNACEM).

### **Opening of the session**

14. The meeting was declared open by Mr. Stephan Sicars, Managing Director, Directorate of Environment and Energy, UNIDO, at 15:00 (CET) on 19 November 2020.

## **Facilitator**

15. The meeting was facilitated by Mr. Daniel Mitchell, President of Acoplásticos, Colombia, and Mr. Alex Saer, Director for Sectorial and Urban Environmental Affairs, Ministry of Environment and Sustainable Development, Colombia.

## **Agenda of the meeting**

16. The meeting adopted the following agenda:

1. Opening of the meeting and adoption of the agenda.
2. Introductory presentation by the secretariat.
3. Interventions:
  - (a) Interventions by Member States;
  - (b) Interventions by observer organizations.
4. Moderated discussion.
5. Conclusions and adjournment.
6. Announcements by the secretariat.

## **III. Proceedings**

### **Introductory presentation by the secretariat**

17. Mr. Stephan Sicars, Managing Director, Directorate of Environment and Energy, UNIDO, presented the mandate, objectives and expected outcomes of the global consultations on circular economy as well as the guiding questions for the regional preparatory meetings.

18. Ms. Nilgün Tas, Chief, Industrial Resource Efficiency Division, and Deputy Director, Department of Environment, UNIDO, delivered an introductory presentation to set up the scene for discussions by introducing the principles and practices of circular economy.

### **Interventions by Member States**

19. Ecuador recalled the positive and effective role that circular economy plays in achieving the SDGs. The country developed a roadmap on circular economy and enjoys support from the industrial sector. A national pact on circular economy was signed in 2019. Since then, more than 330 organizations from all affiliations have joined the pact. Ecuador is developing a white paper on circular economy, intended to be fully aligned with the 2030 Agenda for Sustainable Development. It also plans to have clean production agreements

aiming at positive results in energy generation, water savings and greenhouse gases emission reductions. The vast work related to the formulation of circular economy plans was identified as a possible barrier. Ecuador is collaborating with UNIDO to identify national barriers and opportunities to implement circularity in the country.

20. Colombia stated that the national circular economy strategy was updated in 2019, followed by its country-wide dissemination. Colombia is currently adjusting the regulations on circular economy, namely those on producer and consumer responsibility as well as on building and demolition. Insufficient understanding of the concept of circular economy was recognized as a barrier. The national courses on circular economy and the collaboration with UNIDO on the implementation of eco-industrial parks to promote industrial symbiosis were mentioned as successful examples. Colombia is seeking support for the development of financial instruments and new business models.

21. Chile presented national measures to promote circular economy, including the climate change framework law, the national roadmap on circular economy, the law on plastic bags, the regulation on recycling, the national strategy for organic waste, the creation of the first centre for circular economy in South America as well as international programmes related to marine ecosystem conservation. The aforementioned measures were said to be successful steps in the transition to a circular economy. Since national commitments are being established in collaboration with the international community, raising awareness among the Chilean population towards sustainable practices and resource efficiency is required. The lack of information on the concept of circular economy was cited as a barrier.

22. Concerned about addressing climate change and environmental degradation, Brazil established a strong environmental programme for the efficient use of resources, focused on adopting the principles of circular economy. Brazil is making progress in the area of solid waste management through the implementation of a national policy adopted in 2010 and a series of subsequent sectoral agreements. Seventy-seven per cent of national industries have already implemented one or more circular economy initiatives, including solid waste management, recycling and energy recovery, among others. Brazil also highlighted its aluminium can recycling programme, which currently manages 97 per cent, but aims to manage 100 per cent of aluminium cans nationwide. Brazil is adapting its environmental legislation to the standards of the Organization for Economic Co-operation and Development, which are recognized as one of the most rigorous environmental standards worldwide and are in harmony with circular economy principles. Brazil identified the following challenges relating to the transition to a circular economy: the adaptation of national policies, partnerships with the private sector, access to finance, capacity-building and technology transfer.

23. Argentina informed that a national action plan covering principles of circular economy was formulated within the framework of climate change and the 2030 Agenda. The climate change mitigation plan thus far has yielded results in terms of resource management. In addition, a national strategy on circular economy, currently under formulation in collaboration with UNIDO, will supplement the climate change mitigation plan. National challenges relating to the adoption of circular economy include the creation of reliable databases, the

formulation of new and adapted regulations, financial instruments, informality and changes in the government.

24. El Salvador stated that circular economy is an emerging concept in the country, which needs time for its full implementation. An assessment on circular economy is currently being conducted with a view to developing a roadmap focusing on energy diversification. The waste management and recycling law, adopted in 2020, is the most relevant law associated with circular economy to date. UNIDO is providing support to raise awareness among small and medium sized enterprises on circular economy principles, resulting in positive impacts at all levels. Insufficient knowledge, lack of regulations and absence of reliable data for evaluation and analysis of circular economy programmes were cited as major obstacles to the transition to circularity. El Salvador recognizes the need for technical cooperation and financial instruments.

25. Paraguay shared that the country has been pursuing circular economy principles for many years, with a large number of national industries having considerable experience in recycling practices. The country is formulating a solid waste management law intended to increase the percentage of resource reuse. Circular economy is considered for regulations in multiple sectors, yet no specific circular economy law or roadmap is available. Efforts are made to develop such concrete regulations. In collaboration with the European Union, Paraguay is supporting small and medium sized enterprises through technical cooperation activities. Technical and economic cooperation as well as technology and knowledge transfer were said to be key for effective adoption of a circular economy.

#### **Interventions by observer organizations**

26. UNWTO declared its full commitment to supporting Member States in their transition to a circular economy. Taking action in this time of crisis is necessary to decrease adverse financial impact of the COVID-19 pandemic on the tourism sector. The management of solid waste, specifically food and plastic waste, was highlighted as fundamental, and so are inter-sectoral and participatory dialogues. Inadequate national tourism policies along with the lack of a concerted action to integrate circularity in the private sector were identified as barriers to the transition to a circular economy. UNWTO noted that it is leading the Global Tourism Plastics Initiative, which is a catalyst of circularity in tourism, together with UNEP and in collaboration with the Ellen MacArthur Foundation.

27. UNSSC launched a new five-week online course on circular economy, which aims to raise awareness on the importance of circularity and sustainability. The course was developed thanks to contributions from UNEP, UNIDO and the Ellen MacArthur Foundation. Member States are invited to join the community to exchange ideas on best practices and innovative programmes.

28. ECLAC noted a need to harmonize the concept of circular economy as an urgent concern. The way circular economy is presented to stakeholders defines an approach in which it will be applied, thus circular economy cannot only be defined as recycling. The importance of addressing this issue was stressed.

29. IAEA underlined its role in nuclear waste management and highlighted the opportunities available for applying principles of circular economy in the management of plastics. Radiation technology complements conventional plastic recycling and offers a unique and innovative means to recycle and modify plastic waste to extend the life cycle of plastics and create new tertiary plastic products. IAEA pledged further support to Member States through its mandate of scientific and technology information transfer, by developing reference publications and e-learning materials, providing capacity-building and promoting a network of professionals. IAEA emphasized the need to develop frameworks and regulations, which take the specific nature of circular economy into account, and acknowledged a need to do more on scaling up and technology transfer as well as building strong cooperation, particularly with UNIDO.

30. UNEP informed that the organization is working within the framework of a regional coalition with eight strategic partners, including UNIDO, to avoid duplication of effort and drive the transition to a circular economy. The main objectives as of January 2021 are to increase regional knowledge on circular economy and exchange good practices and tools.

31. CTCN stated that the Centre is building networks to support the transition to circularity. Support has been provided to 209 technical strategies worldwide, 60 of them being in the Latin America and the Caribbean region. Technical assistance has focused on the formulation of circular economy roadmaps and the development of concept notes to be submitted to the Green Climate Fund.

32. SICA stressed the importance of consolidating concepts and sharing experiences as a positive path towards sustainability. A number of activities at various levels are taking place to support the implementation of circular economy. Namely, a new development strategy for the “Sistema de la Integración Centroamericana” is under formulation.

33. CANACINTRA presented some regional success stories and programmes on circular economy, emphasizing the challenge of understanding that circular economy is more than just recycling. Other mechanisms must be used to extend the life cycle of products. Current laws and regulations are falling into this confusion, and therefore the concepts are misused with a risk of being ineffective and costly. UNIDO, together with other international organizations, should support the development of a new regional vision, which could be based on biodiversity as the main asset.

34. Building strong partnerships to achieve SDGs was mentioned as an objective for CERES. The consortium recognized the value of projects that pursue industrial symbiosis while also involving consumers in circularity.

35. Fundación Cristina Cortinas stated that, since 1994, with its incorporation into the Organization for Economic Co-operation and Development, Mexico has been including concepts of circular economy in its master development plan. Based on the experience, it was concluded that efforts should focus on waste prevention, which is why the country adopted a national law on waste prevention and management. This law has been applied for more than 16 years by bringing together all stakeholders through specific action plans around circular economy. The Latin American and the Caribbean region has a solid history of collaboration

between countries, making it a promising starting point for building a strong network to promote circular economy.

36. UNACEN, a private cement company in Ecuador, noted that the company considers impact assessment as a path to sustainability. Some of its circular economy practices were mentioned, such as efficient use of resources, substitution of fossil fuels, introduction of new technologies and water management. UNACEN declared its commitment to a circular economy transition by supporting the government in policy development and joining the circular economy pact. The challenges of conducting relevant research, securing funding and incentives for national industries to promote circular economy were acknowledged.

37. IDE Business School stressed that the main challenges around circular economy are cultivating a culture aligned with principles of circularity, consolidating strong educational networks, developing a coherent roadmap, and building a solid database to support decision-making. Despite the fact that more than 70 per cent of the national constitution supports the implementation of circular economy principles, some laws, regulations and enforcement are often not aligned with circularity. Circular economy should be part of the operational process and not an isolated environmental project within a company. It was also said that environmental certifications are a useful tool to motivate companies and stakeholders to change processes towards circularity.

38. SDG 9, SDG 12, and SDG 13 were recognized by UTE University, Ecuador, as the most relevant goals to carry out the transition to a circular economy, particularly in a biodiversity-rich country. The concept of circular economy is incorporated in such instruments as the national pact signed in 2019 and the national roadmap. In particular, the national pact on circular economy was a starting point for a progressive change in the design of products and efficient use of resources. In Ecuador, an assessment is being conducted to analyze the level of circularity in numerous products, for which the government is expected to provide more incentives to promote circular economy.

39. Deloitte highlighted the importance of using green and performance-based bonds to finance circular economy projects. In Ecuador, there is a wide understanding that circular economy is not only the practice of recycling. Nonetheless, recycling has been selected as the first programme, which will receive results-based payment. For some programmes to become a reality, the country needs active investors to initiate innovative processes. Gathering information on climate change in order to fully understand the importance of a shift towards a circular economy can accelerate its deployment.

40. ELALCO, a private company in Ecuador, informed of its efforts to guide the company towards sustainability. Ecuador is committed to applying circular economy principles, although the limits of the concept and its application are not well established. The importance of achieving excellence in production processes to gain access to international capacity-building programmes was also recognized.

## **Conclusions and adjournment**

41. Mr. Saer highlighted the importance of accelerating the adoption of circular economy principles, policies and practices as means to support the achievement of the SDGs and fully

implement the Paris Agreement. He thanked the participants for their engaging interventions and sharing of inspiring experiences. Mr. Saer encouraged the participants to learn from successful examples of circular economy initiatives, take them on board and replicate in their respective countries as appropriate.

42. Mr. Saer closed the meeting at 18:12 (CET) on 19 November 2020.

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