



UNITED NATIONS
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Global consultations on circular economy 2022-2023

Written statements of the regional preparatory meeting
for the Latin America and the Caribbean Group





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Contents

I. Ministry of Environment and Sustainable Development, Colombia4

UNIDO Regional Circular Economy Consultations

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Written statements

Climate-neutral industry and circular economy

What circular economy approaches can facilitate the decarbonization of industry?

- While 55% of pollutant emissions come from energy generation, 45% come from product manufacturing. Therefore, it is important to have a circular economy approach targeting the main production materials such as: aluminum, plastic, cement, steel and food. It is key to think about the transition towards decarbonization of the economy from product design to waste disposal and material substitution.

Can you share experiences on integrating circularity and climate action in your country's or organization's industry?

- As mentioned above, the focus on product manufacturing is one way to integrate circularity into climate action. Some flows prioritized in the circular economy strategy will be mentioned below:
- Industrial and mass consumption materials stream: new business models, through the by-products of used tire processing, pyrolysis and mechanical shredding, and the use of used cooking oils.
- Flow of containers and packaging: As of 2019, the MinAmbiente in coordination with the National Environmental Licensing Authority accompanied 27 pilot projects of environmental management plans for packaging and packaging waste in the country, resulting in the issuance of Resolution 1342 of 2020. There are currently 267 environmental management plans for paper, cardboard, plastic, glass and metal packaging waste, which include 2,138 producers.
- Biomass Flow: This flow was prioritized due to the high volume of residual agricultural and urban biomass generated in the country, which led to the creation of the National Roundtable for the Use of Residual Biomass.
- Energy Sources and Flows: Environmental and social guidelines for non-conventional renewable energy generation projects of less than 1 Mega Watt in Non-Interconnected Zones, among other actions.
- Flow of Construction Materials: Circularity criteria and efficient use of resources in construction were defined, necessary to have carbon neutral

buildings by 2050 and meet the country's climate goals.

Governance, policies and roadmaps for circular economy

What policy and regulatory frameworks, institutional arrangements and collaborative mechanisms need to be put in place to enable the just transition to a circular economy?

- At a general level, Colombia has a National Circular Economy Strategy in which six lines of action were prioritized as mentioned above. But in a particular way it is worth noting that there is a cross-cutting approach that is evident in the Joint Technical Committee on Sustainability, an instance created in October 2019 by the Executive Committee of the National System of Competitiveness and Innovation, seeking to coordinate actions to improve competitiveness and innovation. In this way, Way seeks to ensure the sustainable use of natural capital, through the development of an action plan that has as a priority the implementation and compliance with the National Competitiveness and Innovation Agenda, the Green Growth Policy and what is considered in terms of sustainability in the national government's development plans. The committee specifically prioritizes: Circular Economy, Bioeconomy, Biodiversities and more recently Climate Change: Mitigation and Adaptation, as a topic included in 2022.
- The Joint Technical Committee on Sustainability has been addressing, under the coordination of the Ministry of Environment and Sustainable Development, the National Planning Department and the Presidential Council for Competitiveness and Public-Private Management, cross-cutting and non-sectoral issues that impact the country's competitiveness and innovation. The committee reviews the developments and priorities within the framework of the roadmap established in the Green Growth Policy set out in document CONPES 3934 of 2018, whose purpose is to drive to 2030 the increase in productivity and economic competitiveness of the country, while ensuring the sustainable use of natural capital and social inclusion, in a climate compatible manner and to the provisions of the National Circular Economy Strategy and the other policy and programmatic instruments within the framework of the defined topics.

Is there a circular economy roadmap in your country? If so, what provisions exist to implement and facilitate its application?

- Taking as references the fundamentals of sustainable development and international trends and after a collective construction exercise, advanced by the Ministry of Environment and Sustainable Development, in different spaces, with validation and feedback processes, the final version of the National Circular Economy Strategy -ENEC was launched and published in 2019, with which efficiency in the use of materials, water and energy is promoted. Thanks to this process, Colombia became the first country in Latin America and the Caribbean to have a strategy to move towards an economic development model that includes the continuous valorization of

resources, the reduction of the water and carbon footprint, the incentive to sustainable consumption, the closing of material, water and energy cycles, technological innovation, the promotion of industrial symbiosis and entrepreneurship, and the consolidation of sustainable cities.

Can you share good practices in engaging a wide range of stakeholders, including industry and business, in the design and implementation of circular economy strategies and roadmaps?

- The circular economy has multiple actors and stakeholders at all levels and in all sectors, highlighting the key role of the private sector and in particular business in the development and success of the transition to the circular economy. It is important to highlight the systematic approach to the regions through the Regional Circular Economy Roundtables, so that they can autonomously achieve a relevant and coherent dynamic according to the specific characteristics of the territory and where the institutional offer of the ministries is consolidated as a battery of regulatory, technical and pedagogical tools for economic and financial support to meet the development needs of the regions.

Do you have examples of capacity building of entrepreneurs, businesses and companies for the adoption of circular economy practices?

- Funding opportunities are highlighted through entities such as INNpalsa, Bancóldex, Procolombia, Colombia productiva, Findeter, among others, which make available to entrepreneurs calls for proposals aimed at promoting the development of circular business models; through the mapping of public financial instruments applied, as well as private instruments, including the main actors identified in national and international banking, multilateral banking, private investors, donors and philanthropy, portfolios of investment instruments and the financing of business projects for technology transfer in circular economy.

Enabling environments and investments in circular enterprises.

What are the business arguments in favor of the circular economy?

- It is natural that tensions arise between business positions and regulatory measures. That is why it is key to include all stakeholders and to make the process as participatory and democratic as possible. In this way, regulatory institutions listen to the arguments of the business sector and jointly build instruments and strategies.

How to attract private investment and financing to accelerate the transition to a circular economy?

- Importantly, the banking sector is increasingly expanding its portfolios to include specific financing lines for circular innovation and entrepreneurship. As part of the development of financial instruments that strengthen financing

opportunities, it is important to consider that, through the process of involving the Colombian banking sector in a Public-Private agreement scheme, it would allow us to strengthen the direct bank-client relationship and become a clear financing or financial leverage option for private sector initiatives, and even the public sector, in specific circular economy developments. The objective is to broaden the spectrum of Asobancaria's Green Protocol and complement issues related to Climate Change with those related to the Circular Economy, the latter being the one that determines an effective way to reduce greenhouse gases.

- There are many characteristics to be able to finance and each financing has a particular answer. The key is to be efficient in the approach of the different steps prior to the contact with the financial entity and the financing opportunities available in the market.
- This is why the institutional offer and financing opportunities through private entities and public funds become the most important possibility for the development of the regions, which through customized financial instruments and through their Regional Circular Economy Roundtables define their needs and purposes according to their own characteristics, thus understanding the development needs of the regions and seeking to move forward with the development and implementation of projects framed in the circular economy.

How can public finances support this transition?

- Public finances should be an important source of financing to support the transition to a decarbonized economy. For example, in Colombia, from the territorial entities, with resources from the Environmental Compensation Fund - FCA, as a financial instrument for redistributing resources among corporations, the National
- Environmental Fund - FONAM, through which the execution of activities, studies, research, plans, programs and projects, of public utility and social interest, aimed at strengthening environmental management, preservation, conservation, protection, improvement and recovery of the environment can be financed, and through the General System of Royalties, whose objective is to establish mechanisms to establish mechanisms for environmental management, preservation, conservation, protection, improvement and recovery of the environment, and through the General Royalties System, whose objective is to establish mechanisms for equity in the distribution of resources to promote development and competitiveness and foster social and economic restoration in the regions where the exploration and exploitation of natural resources is generated, projects may be developed to promote the circular economy in each of the regions.

Challenges identified in the implementation of the Circular Economy Strategy in developing countries

1. Cooperation for capacity building, technical assistance to strategic sectors.

2. Accompaniment and cooperation in the development of circular economy projects by sector.
3. Technical assistance and cooperation in the development of instruments for monitoring, evaluation and application of metrics to measure progress in circularity.
4. Technical assistance and cooperation for the development of instruments and processes to strengthen the culture of citizenship

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