



EU-LAC Webinar – Circular Economy in the COVID-19 Era: Challenges and Opportunities

The Webinar on “Circular Economy in the COVID-19 Era: Challenges and Opportunities” took place on 24 November 2020 and was jointly organised by the Ministry of Foreign Affairs of the Republic of Slovenia and the EU-LAC Foundation within the framework of the LAC days organised by the Ministry of Foreign Affairs of the Republic of Slovenia. The seminar was moderated by Ernesto Jeger, Programme Manager of the EU-LAC Foundation. The [recording](#) is available on the EU-LAC Foundation’s [Website](#).

The objective of the Webinar was to provide a platform to share experiences and good practices, shed light upon projects and advancements, and to raise awareness on the importance of circularity, which provides an alternative to traditional notions of a linear economy. In particular, the potential of a circular economy for a green recovery post-COVID-19 and the importance of global cooperation were emphasised. The structure of the Webinar was divided into three panels, which were dedicated to: global outreach, national circular pathways and multilateral platforms.

The webinar brought together a diverse range of leading experts, including Stanislav Raščan (State Secretary of Foreign Affairs of Slovenia), Adrián Bonilla (Executive Director of the EU-LAC Foundation), Marjeta Jager and Thibaut Portevin (Directorate-General for Development Cooperation of the European Commission), Ladeja Godina Košir (European Circular Economy Stakeholder Platform - ECESP), Circular Change Institute for Circular Economy), Janja Kreitmayer McKenzie (Ministry of the Environment and Spatial Planning of Slovenia), Beatriz Luz (Exchange4Change Brasil), Linnet Solway (EuroChile), Fernando Britez (Kora Paraguay), Izabella Teixeira (International Resources Panel, Former Minister for Environment of Brazil) and Denise Hamú (UNEP Brazil).

Opening Remarks

Dr Stanislav Raščan, State Secretary of Foreign Affairs of the Republic of Slovenia

Slovenia, as many other EU member states, has included Latin America in its foreign policy strategy, recognising the cultural connectedness between the two as well as Latin Americans political standing at the global level, its economic potential and its role as the new home to several Slovenian communities. There is an extensive set of guidelines composed of strategic and policy documents on the EU-level, among them the [joint EU-LAC communication](#) and the joint declaration of partnership with the Pacific Alliance, both from 2019. Yet, the documents are only as strong as their practical implementation. Slovenia has promoted to bring together the two regions with international conferences in the frame of the “LAC Days”, whose main purpose is to forge cooperation in the areas of economics, science, research and culture with a special emphasis on the environment, water, forests and renewable energies.

The effects of climate change and the COVID-19 crisis have exposed the unsustainable nature of our economic world model and our relationship with nature. Unless we radically change course, we will soon need another planet to live on. On the other hand, this profound crisis has allowed us to build back a greener and more resilient world by transforming the way we live, produce, consume and interact with nature. Slovenia was one of the first countries to recognise the necessity for transformation from linear development to a regenerative, circular model in which resource use is decoupled from economic growth. The circular economy has become an intrinsic part of Slovenia’s strategic development agenda and remains a key element for its post-COVID-19 recovery plan. Slovenia believes that this will bring about a more sustainable, inclusive, resilient and just socio-economic system, that will be able to preserve the planet and its resources for future generations. The Slovenian government is willing to share its experiences of embedding transition to a circular economy into all relevant strategic national documents and their cross-sectional multi-stakeholder approach in applying the transition.

In collaboration with the European Commission Slovenia aims at decarbonisation through the transition to a circular economy. The nationwide project, including a multitude of stakeholders, follows a system-based logic to enable the decarbonisation process of Slovenia’s social-economic system, based on certain circular economy principles. The circular economy will be among the priorities of the Slovenian EU Council Presidency in the second half of 2021 and has been included in the working programme of the presidency trio Germany-Portugal-Slovenia.

The European Union has adopted an ambitious action plan on the circular economy as far as the Green Deal and green recovery implementation. It is impossible to undertake such

profound systemic and cultural change alone in an intrinsically interconnected world. As part of its action plan, the EU envisions a global alliance promoting a circular economy and resource efficiency. It is expected to be launched in the frame of the fifth meeting of the EU environmental assembly in February 2021. The EU will look for synergies with a Latin American regional alliance for a circular economy and Slovenia will actively promote alliances as well as the need to promote these alliances globally.

Dr Adrián Bonilla, Executive Director of the EU-LAC Foundation

For the EU-LAC Foundation both Slovenia and the panellists' presence is fundamental, as they allow it to fulfil its main objectives; to contribute to the strengthening of the EU-LAC strategic partnership, involving participation and inputs of civil society and other actors to encourage further mutual knowledge and understanding between the two regions. The Foundation is an international, intergovernmental organisation, composed of the EU and LAC member countries. Its mandate comes from the decisions of the Heads of State, and, for instance, the EU-CELAC action plan designed in 2015 in Brussels. The Heads of State decided to seek the necessary financial resources that will contribute to sustainable development, biodiversity, conservation and sustainable use as well as adaptation to and mitigation of climate change. They wanted to ensure the coordination of activities, aiming at reducing emissions from deforestation and forest degradation, taking into account the different capabilities of the countries. They also wanted to promote the development of projects in the areas of renewable energy and energy efficiency. Finally, they wanted to support capacity building on safe and sustainable low carbon technology and low emission strategies, climate change, monitoring greenhouse gas emissions, reporting and verification of forest and soil management, among other issues.

Conventional definitions of the concept of the circular economy focus on reducing raw material use, reducing products and components, recycling and reuse of raw materials. Global warming is one of the most conspicuous global issues and cannot be solved through unilateral, bilateral or even regional policies. The policies have to be global and one of the conceptual instruments to cope with this challenge is the circular economy. Trillions of dollars of economic stimulus are being made available around the world in response to the COVID-19 pandemic. Goals for recovery, in line with other global challenges, have never been stronger. This is why many have used the expression “build back better”, which means an opportunity to build a resilient, low carbon economy recovery. To achieve this goal, societies need to take decisive action that focuses on safeguarding national economies during crises to pave the way for a broader economic transformation that is more resilient to future global risks. The circular economy is a concrete means to achieving this vision and is now more relevant than ever, as it presents an opportunity for an inclusive and resource-smart future. It is an opportunity for both regions to undertake a transformation that responds with the ambition needed

to pursue the Sustainable Development Goals (SDGs) and to adapt to a world with limited resources.

1st Panel: Circular Economy and Global Outreach

Marjeta Jager, Deputy Director General of DG DEVCO, European Commission

The EU is committed to promoting a green transition and a green recovery from the COVID-19 pandemic. It is not only important to “build back better”, but also to “build back green”, and the circular economy can contribute to such a green recovery, for example by making value chains more resilient and by promoting actions in job intensive sectors. The environmental and climate crisis and the transition to a sustainable economy require global action in line with The Green Deal and also green alliances with other countries. The EU aims to lead the transition by setting the example, combining diplomacy, trade policy and cooperation. Global outreach is a priority of the new EU action plan for the Circular Economy and Latin America and the Caribbean are essential for this global transition. The region’s ecosystems, especially the Amazon, are of incredible environmental value but they are under severe threat. By acknowledging these challenges, the region is showing leadership in regards to the circular economy, promoting new initiatives such as a Latin America Circular Economy Coalition. The growing cooperation increasingly reflects the importance of the circular economy, evidenced in, for example, the Switch To Green Facility, the Partnership For Action On The Green Economy in Uruguay and AL-Invest Verde, the programme for Latin America that was approved this month and which aims at promoting growth and jobs through a low carbon economy.

Thibaut Portevin, DG DEVCO

To achieve the goals of the Circular Economy Action Plan, all the EU policy tools and policy areas have to be exhausted, among them trade and international development cooperation, as well as outreach and diplomacy which are essential to promote the transition to the circular economy at the global level. Over the past years, there already has been a lot of outreach from the EU on the circular economy. One of the ambitions of the new action plan is to continue further circular economy missions, which consists in policy and business dialogue with the government, the private sector and stakeholders in partner countries to share experiences, discuss the transition and identify opportunities for cooperation and business. A number of these missions have already been carried out at the global level, including various countries in Latin America, among them Chile, Colombia and Mexico. Other missions are foreseen although they have been put on hold for the moment due to the sanitary crisis.

In the context of the development and pursuit of a Green Deal Diplomacy, various outreach activities have been organised by the EU to promote a green recovery, using The Green Deal as a compass.

Furthermore, a global circular economy alliance dialogue among governments is going to be established, to build knowledge and develop global governance for a circular economy. It is foreseen to be launched in the context of the fifth edition of the UN environment assembly in February 2021.

Besides outreach, the implementation of cooperation programmes, promoting the circular economy, is an important priority for DgDevco. There is the intention to work even more closely with EU member states in the context of international cooperation. Currently, the EU cooperation priorities, for the seven coming years in line with the EU budget cycle period 2021-2027, are being programmed. A key characteristic is the development of Team Europe Initiatives in partnership with the European Commission and EU member states. There are four main areas of cooperation which reflect the needs and the drivers of transition. The first is about developing knowledge about the circular economy and its potential benefits for employment, tackling climate change and the reduction of pollution. Documentation evidence of these contributions is becoming more available within the EU but there is still a need for more evidence at the global level. There are several initiatives in Latin America, for example, the Green Economic Coalition, which promotes civil society participation in policy development and contributes to raise awareness and build societal support for circular economy reforms. Another important area of action is the development of enabling, regulatory policy frameworks as the circular economy is a relatively new policy area. Economic and environmental policies have to be coherent. DgDevco supports the “Switch to Green” initiative, developing a circular economy strategy in Colombia, as well as the “Partnership for Action on Green Economy” in Uruguay. There is a recognition that a circular economy can be an important contribution to climate action and there is growing emphasis on the circular economy as a tool that needs to be present in the Nationally Determined Contributions for Climate Change (NDCs). This is reflected in, e.g. NDC partnership *financing*.

Even when there is a clear business case for greener practices by the private sector, access to finance remains a barrier for the transition to a circular economy, especially when significant investment is required. The EU promotes financing for a circular economy through different means, among them AL-Invest, working on studies and promoting dialogue between development partners, the business community and investors. Other initiatives try to develop risk-sharing mechanisms through blending mechanisms to facilitate investments in green sectors. The fourth area of action is engagement with the private sector, including support to enterprises, specifically micro, small and medium-sized companies but also with larger industries. One example is the

MiPyme COMPITE programme in Paraguay that supports the private sector and SMEs, integrating circular economy, low carbon development and other green practices.

Ladeja Godina Košir, Chair Coordination Group of the European Circular Economy Stakeholder Platform (ECESP), Founder and Executive Director of the Circular Change Institute for Circular Economy

Circular Change was founded because of the need to recognise the different change-makers in different countries. Policy reports and the many important guidelines are fundamental, but without people who are working on the ground, change cannot happen. Circular Change welcomes collaboration and stakeholder engagement and tries to identify the change-makers to empower them to contribute to the process of transformation. Circular Change engages with small and large companies, government agencies, cities, non-profits, researchers, creatives and the media in collaborative projects to co-create circular economy solutions, projects reports, events, and more. Creative innovations and a new mindset are essential to actually “build back better”. However, it is not only about building back, but about rethinking the entire system. Our health system has collapsed and severe challenges within, e.g. the educational system and the food system, have become apparent. We are facing the climate crisis and the pandemic crisis simultaneously and only through a holistic understanding and a systemic approach can we jointly create solutions.

The EU developed the Green Deal as a compass, showing the direction towards a green transition. Its goals are to increase the EU’s climate ambition for 2030 and 2050, to supply clean, affordable, secure energy, to mobilise industry for a clean and circular economy, to build and renovate in an energy and resource efficient way. It aims at zero pollution for a toxic-free environment, preserving and restoring ecosystems and biodiversity, a fair, healthy and environmentally friendly food system, and accelerating the shift to sustainable and smart mobility. The transition to the Green Deal requires financing and has to be just, leaving no one behind. Given this policy framework, Ursula von der Leyen repeatedly stresses that this recovery has to be green. Now that 750 billion Euros have been allocated by the EU, they will hopefully be invested wisely to rebuild a thriving economy and society.

The circular economy stakeholder platform gave some suggestions to the Circular Economy Action Plan, which allows the different stakeholders to find guidelines for their transformation, concerning policies or value chains. It focuses on specific sectors, e.g. construction or the fashion industry, yet they all face similar challenges and are inherently interconnected and interdependent. Only through collaboration can problems be solved to fulfil the idea of a circular economy, which is to maintain value.

The [Circular Economy Action Plan 2020](#) deals with:

- 1) *Sustainable Product Policy*: Designing sustainable products, empowering consumers and public buyers, circularity in production processes;
- 2) *Key Product value chains*: Electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and building, food water and nutrients;
- 3) *Less Waste more Value*: Enhanced waste policy (waste prevention, circularity, enhancing circularity in a toxic-free environment, creating EU market for secondary raw materials, addressing waste exports from the EU);
- 4) *Cross-Cutting Actions*: Circularity as a prerequisite for climate neutrality, getting the economics right, driving the transition through research, innovation and digitalisation.

It is crucial to collaborate with different countries to learn from each other. EuroChile, for instance, included in its Circular Economy Roadmapping Process the idea of a circular culture to the core of the document. While the economy is important, culture is equally as central in achieving the transition. A circular economy means more than just efficient waste management, but rather to pursue a holistic approach, already addressing the first stages of production as well as our patterns of thought and behaviour and the traditions and the values we share.

“Life can be only understood backwards, but must be lived forwards.” Søren Kierkegaard

Second Panel: National Circular Pathways

Janja Kreitmayer McKenzie, Secretary EU Coordination and International Affairs Office Ministry of the Environment and Spatial Planning, Slovenia

The Slovenian government started its circular economy agenda in 2014, recognising that the transition to a circular economy is a process, encompassing a profound change of our way of thinking and society. It means to change how we behave, how we produce and how we consume. Communication was decided to be a key strategy for the journey. Therefore, a new governance structure, called the Partnership for a Green Economy, was created. Back in 2014, it seemed too soon to name the core model “circular economy” as there was still little understanding of the concept and it might have seemed too radical. Instead, it was decided to first study the atmosphere on the ground and to slowly introduce the concept of the circular economy. The partnership was composed of an intersectoral group of state secretaries of seven core ministries and it was opened to all stakeholders in Slovenia, allowing for more than two thousand partners to join. The main objective of this platform was to facilitate an open dialogue between government and stakeholders, to work on solutions together.

Besides addressing the business sector, cities were also identified as key enablers for the transition to a circular economy, as they are the communities that we live in and are therefore the most in touch with their citizens, much more than the national government. They are also in charge of providing a variety of services and managing resources and waste, which in a circular economy is a resource as well. Slovenia is divided into 12 statistical regions who each have regional development agencies and municipalities. In cooperation with them the communities and businesses in these regions were motivated to join and to discuss potential opportunities together.

The “[Framework Programme for a Transition to a Green Economy](#)”, which was adopted in 2015, was the first official document, setting up this partnership for a green economy and also laying out the first steps of the transition process. The “[Roadmap Towards The Circular Economy](#)” was the second important document, launched in 2018 and based on bottom-up knowledge on the opportunities for circular transition in Slovenia. It highlighted several focus areas as the first or most efficient to address in the transition to a circular economy based on Slovene characteristics and also gave recommendations to the government for the actions for a future systemic approach. It was purposely launched at the Circular Change Conference and not adopted by the government because it was supposed to be a stakeholder’s and people’s document, owned by everyone in Slovenia.

After the launching of this document, implementation was needed. Together with eit Climate-KIC, eit RawMaterials and the Joint Research Centre of the European

Commission, the "Deep Demonstration of a Circular Regenerative Economy in Slovenia" project was initiated, designed to embed a true and more permanent change than just specific measures. It entails three vertical pillars, which are 1) to create circular communities, 2) to foster circular development and 3) circular policy design and science. These pillars are supported by three horizontal programmes. The most important one is the "Centre for Smart and Circular Transition", which is responsible for the coordination and orchestration of all these activities and for embedding a hub for the circular economy of the region, which will be an important podium for international cooperation. Another horizontal programme is "Transformation Capital for Circular Economy", whose purpose is to blend the finances between the private and the public sector to create more value for investment. Finally, the "Circular Transition Pilots" will be testing all these initiatives in practice, encompassing five value chains (production, building, mobility, food, wood).

The most important part of the efforts toward circularity is cooperation and partnership. Instead of having many individual projects, the idea is to coordinate systemic change together. For this reason, the project englobes various cooperation partners, including eit Climate-KIC, eit RawMaterials, various ministries (Environment; Spatial Planning; Education, Science and Sport; Economic Development and Technology; Agriculture, Forestry and Food; Infrastructure; Finance; Foreign Affairs; Public Administration and the Government Office for Development and European Cohesion Policy), the Joint Research Centre and the Government of the Republic of Slovenia itself. Likewise, international cooperation is essential to exchange best practices and knowledge, allowing for the creation of new concepts. Circular Economy is not a fixed and fully developed concept but is open to innovations, new ideas about how to improve business models and how to implement this process.

Slovenia has now entered the implementation phase and will start the programme as soon as the last financial and legal details are settled. For the Ministry, green recovery and a green economy are priorities. As much negativity as the COVID-19 pandemic has brought, it presents a unique opportunity for the concept of a circular economy to gain momentum, as it not only addresses the economy but also our quality of life and aims at enabling us to be resilient enough to cope with crises. Circular economy models are offering answers and solutions to improve everything from our lives, to preserve natural resources and to make the economy competitive and to help it survive.

Beatriz Luz, Founder of Exchange4Change Brasil (E4CB)

In Brazil, the conversation about circularity was initiated in 2015, starting with awareness-raising. One of the main contributors to this process was the Ellen MacArthur Foundation which opened her first chapter in Latin America in Brazil. In 2017, the industry's strategic map for the next four years was launched, including the circular economy as a key element for industry development. With the support of UNIDO, E4CB started the development of a road map on the circular economy in Brazil, Chile, Mexico and Uruguay. Now is the moment to engage the industry, taking into account all the information and the possibilities around a circular economy in order to create a new mindset.

E4CB has learned three main lessons from their journey, the first one being, that technology is only one part that has to be complemented by a profound cultural change and policy development. The current COVID-19 scenario has demonstrated the interconnectedness of the world, and the importance of working along the supply chain and of helping everyone. By evidencing the need for not only the large, but also the small and medium-sized companies, the pandemic is promoting the mindset of the circular economy.

The second lesson is the need to understand the interconnectivity of all supply chains, based on information gathered by science to co-create solutions. E4CB is working to influence the transition not just on the industry level but also in agriculture and construction, attempting to connect the sectors and to find solutions beyond company boundaries. One example of this is how 3,000 ventilators, that were found broken, were repaired together with the automotive industry, saving almost 300 million Reais. Another case of unusual connections during the pandemic is the collaboration between Ambev, a brewery, Gerdau, a steel manufacturer, and a start-up called Brasil ao Cubo to build a hospital in only 40 days, demonstrating the immense potential of working together towards a common goal.

Thirdly, E4CB has learned that there is a need for new rules, new values and new governance. Companies have to initiate this process but they cannot do it alone or within their company boundaries. Besides a vision and an inside strategy, it is necessary to create a suitable ecosystem to develop partnerships, to build trust and collaboration. Since the Circular Economy Brazilian Hub and despite these unusual times, there are now 13 companies, determined to work together, breaking barriers and developing a Circular Economy in practice in Brazil. More than 16 experts are currently working on a new book, as the market still needs a lot of education and understanding. The exchange of knowledge between Europe and Brazil is crucial for the transition in Latin America. Despite the cultural and geographic differences between Latin American countries and European ones, people, industry and government are the same everywhere in the world. We need to create networks, share knowledge, learn from mistakes and move forward.

It is necessary to look beyond product design, recycling and materials flow and to shift our focus to collaborating, developing new commercial relationships and value creation in order to achieve this new economic balance among all of us.

Linnet Solway, Director of Circular Economy at EuroChile

EuroChile was created nearly 28 years ago to foster the links between the EU and Chile. In the past 5-6 years, the foundation has come to realise the importance of the circular economy and that it needs to be brought from Europe to Chile. Since March 2020 EuroChile has been supporting the ministry in creating its own circular economy roadmap. Chile extends over 4,000 kilometres along the Pacific coast, from the Peruvian desert in the north to just before Antarctica in the south. In between, there are more deserts, wine countries, rainforests and dense urban centres like Santiago and Valparaíso, concentrating over 50% of the population. All these regional differences concerning climate, resources, geography and access to infrastructure, have to be considered when developing a circular economy roadmap for such a diverse country.

Back in 2016, the Framework for Waste Management, Extended Producer Responsibility (EPR) and Promotion of Recycling law was finally passed after 10 years of discussions. It entails six priority products: lubricating oils, packaging, batteries, electric and electronic equipment, tyres and car batteries. Additionally, there are currently two supreme decrees to establish the objectives for two of those six products, packaging and tyres, which are foreseen to start being implemented in 2023. In August 2018, Chile was the first Latin American country to ban plastic bags. On the 3rd of August of this year, all plastic bags were forbidden, including small businesses and markets. This may look like a small step, but it's a way of promoting and making these changes visible in our everyday lives. A year later, in April 2019, Chile was the third country - and the first in Latin America - to join the [Plastic Pact](#), an initiative by the Ellen MacArthur Foundation, englobing various companies, ministries and institutions. This year, the ministry has been working on the national strategy for organic waste, which was presented a couple of months ago to public consultation, so it is expected to be published by the end of the year. At the same time, in May 2020 the supreme decree on the recycling goals for the packaging sector was voted on.

There were a great variety of strategies and of additional private and public initiatives, which were mostly led individually. For this reason, the ministry decided that there was a need for a national, cross-cutting waste strategy, encompassing all other initiatives. Consequently, they launched the circular economy roadmap, which was first mentioned nearly two years ago, in December 2018. EuroChile together with the Ministry of the Environment and UNIDO organised a circular economy forum in Santiago, where the Ministry inaugurated the development of this national circular economy roadmap. The

first step was the initial mapping of all the actors that are currently involved and of those who should be involved in the circular economy.

At the beginning of this year, the actual construction of the national circular economy roadmap began, led by four main organisations: the Ministry of the Environment, the Ministry of the Economy, Corfo, the Promotion and Development Agency in Chile and Agencia de Sustentabilidad y Cambio Climático. The process is further supported by EuroChile and CBI, the Consensus Building Institute. These six organisations form the executive committee, coordinating, leading and carrying out the entire process. The Chilean circular economy roadmap process has five main objectives: The first is to connect the key actors in Chile. Second, to imagine what a “Chile Circular” future will look like in 20 years, considering the roadmap’s time frame is 2020-2040. Thirdly, to reach a consensus regarding specific and essential changes that must happen to achieve the vision, for example, a complete change in the structure of waste management. Landfilling a ton of waste costs around ten dollars, whereas composting organic waste costs approximately 30 dollars, showing the need for a new system, where the costs reflect the real impact of each strategy. The fourth objective is to design a strategy and the action plan that will lead Chile to be a circular territory. Finally, a key aspect is to position the topic of a circular economy in the country. It is not enough that only a small group of elite organisations know about the concept, it needs to spread through all organisations, all levels of society and reach all of us as people and as citizens.

Besides the executive committee, there is also a strategic committee which is made up of 30 organisations, including two representatives of academia, five civil society organisations, ten representatives of the private sector, approximately nine ministries and five other public institutions, such as municipalities, which are key in this implementation. The beginning of this process in March coincided with the first registration of COVID-19 cases in Chile. Nonetheless, the urgency of the matter did not allow to postpone the work, also considering the opportunity to influence the ways of rebuilding the economy.

Also, the Chilean Minister of the Environment, Carolina Schmidt¹, has been very involved in the making of the road map, as well as the Minister of the Economy, showing commitment from the highest level. The circular economy is a commitment by the Chilean government in the newest NDC’s, including the national strategy for organic waste, which is underway, secondly the Chilean roadmap and thirdly to create a monitoring framework for a circular economy.

The main objectives of the Chilean circular economy roadmap include job creation through the circular economy (+ 100.000 for 2030, +180.000 for 2040), an objective on

¹ Carolina Schmidt wrote an article in the EU-LAC Foundation’s last [Newsletter](#), entitled “NDC: An Opportunity for Green Recovery”.

municipal solid waste generation per capita (-10% for 2030, -25% for 2040), a municipal solid waste recycling rate (30% for 2030, 65% for 2040), waste generation in relation to GDP (-15 % for 2030, -30% for 2040), and the general recycling rate (40% for 2030, 75% for 2040). The civil society is requesting to include an objective that reflects that a circular economy is not only beneficial for the economy and the environment, but also for the people and their quality of life. An objective like this is currently worked on, showing that the circular economy is good for society as a whole and everyone living in Chile.

Fernando Britez, Founder of Kora Paraguay

Paraguay is located at the heart of South America and has a population of a little bit more than 7.1 million people of which 50% are under the age of 26 and 64% are within the working age range. Among the country's main import products are fuels and petroleum derivatives, vehicles and their spare parts, computers, telecommunications and electronic equipment, fertilizers, textiles, agrochemicals, plastics, iron, steel, paper, cardboard, footwear, etc. The main export products are soybeans, rice, wheat, corn, sorghum (either in grains or in oil), meat and its derivatives, wood and charcoal. In short, Paraguay is an importer of short-lived consumer goods and an exporter of products in their natural state. The average urban solid waste generation rate is around 1.2 kg per person per day. Solid waste management is a complex task and a serious problem in Paraguay due to multiple factors such as 1) population growth, 2) the increasing amount of waste generated, 3) the low quality of urban sanitation services and 4) institutional weakness, little health education and citizen participation. Concerning public policies, the main planning tool is the 2030 National Development Plan, that links the SDGs with the country's goals and that seeks to move from an economy based on natural resources towards an economy of knowledge, equal opportunities and the eradication of extreme poverty. The principles of a circular economy are directly related, to a greater or lesser extent, to 10 of the 12 objectives. Considering these circumstances, in 2018 the NGO KORA Paraguay was founded to publicise the principles of a circular economy and sustainability in Paraguay. It considers the circular economy as strategic for the country and seeks to contribute to the generation of public policies. Although the degree of knowledge and incorporation of the principles of a circular economy is still incipient in Paraguay, in almost three years of work the NGO has witnessed and participated in the great steps that the country has taken in such a short time. This, to a large extent, is due to the support from international cooperation for the development of projects related to the circular economy. For example, the MiPyme Compite Programme started in 2019, with a four-year duration and with an investment of 12 million Euros, to strengthen and improve public services and to increase the competitiveness of companies and their integration into value chains. This programme is financed by the European Union and executed through key partners in the public and private sectors and the business environment, such as the Ministry of Industry and Commerce of the European Union, the Paraguayan Federation of Production Cooperatives, the Organisations of Nations United

for Industrial Development and the World Bank. Although circularity is not the main objective in this programme, it contemplates developing activities to promote it in the country, such as the realisation last week of the Latin American Circular Economy Forum, which was held digitally. Furthermore, a regional project was started this year for the diagnosis of the current situation of the circular economy and the development of a roadmap in Paraguay in conjunction with Ecuador, El Salvador, Cuba and the Dominican Republic through the Climate Technology Center and Network (CTCN).

Likewise, the Inter-American Development Bank group is starting the execution of the project for the promotion of a circular economy this year, whose general objective is to improve environmental and health conditions, and economic opportunities in the vulnerable neighbourhoods of Chacarita Alta and San Francisco in Asunción, by promoting circular business models. For next year, the preparation of a Circular Economy Action Plan for Lake Ypacaraí, one of the main tourist destinations for the inhabitants of Asunción, is planned. Through this Action Plan, it is intended to incorporate the concept of “wastewater into resources” as a basis for the sustainable management of this hydric resource.

The barriers and challenges Paraguay is facing are very similar across the region and can be divided into four areas.

- 1) *Policies and regulation*: lack of effective tax and incentive policies and examining the regulatory frameworks so that products are more durable and the formation of a public-private platform, that encourages and supports circular ventures.
- 2) *Cultural acceptance*: lack of knowledge about the circular economy approach and its benefits, as well as the lack of environmental awareness of consumers and producers.
- 3) *Access to financing*: to adopt new technological models and generation of circular products and services.
- 4) *Technologies and Infrastructures*: lack of knowledge and technical skills to incorporate the circular economy model. It is necessary to measure the flow of materials to generate greater knowledge and understanding of the life cycle of products and to be able to close the production cycles.

Regarding the potentials and opportunities that a circular economy represents in Paraguay, it is worth mentioning that materials such as aluminium, steel, copper, iron and bronze were recovered at the country level for export, totalling more than 200,000 tons at a value greater than USD 102 Million, in only one year without having or counting data on the large volume of materials that are recovered and commercialised informally in the local market. Additionally, organic waste (mainly food and plant waste), which represents approximately 60 % of the volume of waste that is sent to landfills, present an

opportunity as these materials could be reused for energy purposes (generation of biogas or electricity). The latter will probably not compete with the price of hydroelectric energy plants, but it can be a source of raw material for the generation of fertilisers, which is among the top ten imported items. Another opportunity for the country could be Waste Electrical and Electronic Equipment (WEEE). 4.9 to 6.8 kg/year of WEEE have been generated between 2014 and 2017. According to studies, Paraguay is one of the largest generators of WEEE among the LAC countries. This is a problem but it also represents a 65 million USD opportunity, considering its potential value as a raw material. This transition is not an easy, fast or cheap task and more efficient and effective mechanisms must be created, for extended producer responsibility, the implementation of reverse logistics processes, the transformation of business models and the generation of financing sources. The good news is that these and other possibilities are already included in the country presentation “Paraguay - Country of Opportunities” designed by the Ministry of Industry and Commerce to attract foreign investors and sustainable business opportunities. Although the circular economy was included in the energy and materials strategy, specifically in the automotive and the home appliances sector, it is also directly related to other sectors such as the reduction of food waste in the supply chain, energy efficiency, product reformulation and electric mobility. In short, the first steps towards the transition to a circular economy in Paraguay are being taken.

3rd Panel: Multilateral Platforms

Izabella Teixeira, Co-Chair of the International Resources Panel and Former Minister for Environment of Brazil

COVID-19 probably won't be the only crisis that the world will be facing in this century. There is a multiplicity of disruptive processes in the world, regarding the relationship between nature and humankind. Deforestation, for instance, can provoke disruption of the equilibrium of the forests' ecological cycles. It is necessary to face these risks and our vulnerabilities, to which the circular economy can be a solution.

COVID-19 provoked and demanded investments that raised the public debt around the world, not only in developing but also in developed economies. This enormous fiscal debt has to be paid by future generations. Therefore, to make decisions today in favour of a green recovery and sustainability is a pragmatic choice, allowing for sustainable economic growth in the future and bringing the world together.

The International Resource Panel understands that business as usual is no longer an option. In order to create a new "business as usual", they provide scientific information on relevant policy processes. The goal is the sustainable management of natural resources, including better, smarter use of materials, biomass, fossil fuels and non-metallic minerals. New ways of approaching nature, decoupling economic growth and environmental impact, are being developed. Last week, a [report](#) on climate change was published, illustrating efficient use of resources and the international climate strategy, aiming to cut emissions and to address development. The International Resource Panel also published a collection of factsheets on "[Natural Resource Use in the Group of 20](#)". It shows the increase in natural resource use and the consequences for environmental destruction, greenhouse gases and climate change and biodiversity loss.

The strategies that are being developed for economic sectors have to be based on concrete realities, taking into account local needs and national and global benefits. Latin American countries, like Brazil, need solutions aligned with job generation and social inequalities. Not just the elite can manage the transition, but the people have to be part of the solution. For Latin America, this means to find solutions for the Amazon and Plata River basin and to connect the circular economy to business, agriculture, cities, and infrastructure. An Amazon Alliance, that includes all the Amazonian countries, could be established, in order to jointly implement a green recovery strategy for the region. 25 million people live in the Brazilian Amazon, of which 8 % live in cities, meaning that both the forest ecosystem and the urban ecosystem need to be discussed. In this context, circularity and bioeconomy can provide solutions, providing answers to deforestation and also strategies towards sustainable development.

Mrs Teixeira's two main achievements during her time as environmental minister of Brazil were the lowest deforestation rate in the Amazon's recent history and the approval of the Brazilian Forest Code. While these were important steps at the time, now the Forest Code needs to be implemented and new answers have to be found regarding Brazilian agriculture, protection and production, and food security. The world has to face hunger and in order to do so, it needs to look into the future and not back to the past.

To "build back better" means to make smart use of natural resources, which is the key message from the International Resource Panel. A new paradigm of resource use is needed, regarding our way of life, mobility, construction and the generation of wealth, to build a new relationship between humankind and nature. This challenge cannot be solved by a small group or on a regional level but has to be approached globally. Climate change and the health crisis are pressuring for answers regarding inclusive and green development and social inequalities around the world. This requires ambition to act and to improve international cooperation, despite the surge of protectionist and unilateralist tendencies.

The global transition to a zero-carbon economy is not going backwards. Even if there is still a long way to go, there is hope with the election of Mr Biden and China's decision to hit their peak emissions before 2030. The world is changing and the future will be shaped, not by hard, but by *soft power*. Circular economies are part of the expression of *soft power* of all countries, allowing for new ways to be part of the world. They also offer emerging developing economies opportunities to come together, joining the global movement, where a circular economy will influence consumption and production. We are co-responsible for the decisions that our societies and our governments are taking. The pandemic exerts immense pressure on the world, but at the same time offers the opportunity to change.

Denise Hamú, UNEP Brazil Representative

It is crucial to find new ways of clustering global movements, transcending nationalities and borders. Circularity has to be inclusive so that we can transition from a "winner vs. losers" to a "win-win" situation, not just for the conservation of the environment, but for the well-being of all. No one should be left behind, especially in the informal sector.

The International Resource Panel, published in the "[Global Resource Outlook](#)", showing the importance of the 1.5 degree target of the Paris Agreement, which can only be achieved by combining circular approaches with the current efforts in renewable energy and energy efficiency. Circularity requires creativity and cooperation among all value chain actors, involving governments, communities and the private sector.

The UNEP overview work on circularity highlights the importance of strategy shaping and advocacy, as well as knowledge development and technical support, to maintain the [UNEP circularity platform](#), centralising resources and nurturing a community of practice on building circularity across and within UNEP. Furthermore, there are currently several sectoral projects, among them some on plastics, textiles, electronics and mining. Lastly, stakeholder engagement is of fundamental importance. There is a great variety of recommendable publications, among them “[The weight of Cities](#)”, which was published a few months ago by the International Resource Panel, as well as “[Growing in Circles](#)”, related to climate and cities, “[National Guidance for Plastic Pollution Hotspotting and Shaping Action](#)” and “[A 1.5°C World Requires a Circular and Low Carbon Economy](#)”, as well as UNEP’s regional case studies.

In Brazil, UNEP is working on circularity with the “Clean Seas Campaign”, which has been in place for about four years and that was designed to tackle plastics. It specifically targets plastic in tourism, in order to create plastic-free touristic cities. The latest edition of the “Clean Seas Campaign” is going to be associated with the research by the University of Brasilia (UnB) on the perception of the tourist sector regarding single-use plastics. UNEP is going to further the study and to increase the campaign reach, talking to specific states and municipalities after the elections. The goal is to assess where they can make a change and to implement a public policy approach with the newly elected mayors. UNEP also addresses plastic-free food delivery, which is increasingly important in times of confinement. They work with *iFood*, *Ubereats* and other food delivery systems, trying to find new business opportunities for reusable containers. UNEP is a partner of PAGE “[partnership for green economy](#)” with the state of Mato Grosso, working intensely with UNIDO, UNDP and ILO over the course of the last four years. UNEP exists to share knowledge and to seek good projects that actually can make a difference.

The organisers of the webinar and their representatives, Mr Ernesto Jeger from the EU-LAC Foundation and Ms Irena Gril from the Slovenian Ministry of Foreign Affairs, thanked the panellists and participants for their contributions and participation as well as invited them to follow also further events, connected with the circular economy topic planned in 2021.

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