

# Ecuador goes Circular

## *The strategy behind*

Ecuador is a country of great natural riches and a growing economy, facing the challenges that come with the intensification of industrial activity and changing consumption patterns. For instance, only 6% of the produced waste is recycled nationwide (National Institute of Statistics and Census, 2018). Despite a number of initiatives aiming at improving resource extraction and use, sustainable consumption, reuse of waste materials to manufacture new products, and energy efficiency over the last decade, the concept of circular economy (CE), as such, has until recently been very rarely known in the country.

Important foundations for a circular policy framework were laid down between 2014 and 2018, as circular economy related concepts were integrated in key national legislation. Ecuador's turn towards a circular economy future is manifested in strategic policy initiatives like the National Strategy and Action Plan for the Circular Economy Transition (due mid 2021), the Law for the Circular Economy (under approval by the National Assembly),

and the endorsed National Development Plan 2017-2021 ("Toda una Vida") which embraces principles of the circular- and the bio- economy, encouraging recycling and extending product lifetime. Ongoing policy processes include the Law for Extended Producer Responsibility, a specific normative for electronic waste (expected to be adopted in 2021), and updates to the legislation on non-recyclable plastics.

## The Roadmap – how Ecuador is turning circular

🕒 **Integrating circular economy approaches into different policy processes:** With the establishment of the National Solid Waste Management Working Group (2014), circular economy considerations were duly integrated into Ecuador's debates on the Agenda 2030 and on the Action Plan of the National Biodiversity Strategy (2015-2030). In 2015, Ecuador adopted a National Strategy for the Change of the Productive Matrix that aims at a more responsible management of resources, and the adoption of regulations and incentives for higher environmental standards, eco-efficiency and environmentally friendly practices. These processes led to the development of more comprehensive policy approaches directly focusing on the CE, such as the Law on CE and the National CE Action plan.

🕒 **Endorsing multi-stakeholder commitment:** Next to leadership of the Vice-President's Office shifting to a CE in Ecuador benefited from multi-sector participation, engaging both local and national actors from the policy arena, the private sector, the academia and the civil society. Commitment to the Circular Economy was endorsed with the [National Pact for a Circular Economy](#) (2019), signed by over 330 supporting parties who drive the country's transition to a circular economy, along nine strategic axes, including (among others) industrialisation and use of waste, sustainable and resilient infrastructure, eco-design, sustainable business, progressive substitution of plastics and development of CE indicators.

◉ **Elaborating a Circular Economy National Strategy and Action Plan (White Paper):** Based on four fundamental axes: i) Sustainable production; ii) Responsible consumption; iii) Integrated Waste Management; and iv) Policies and Financing, the White Paper aligns the CE concept to Ecuador's 2030 Agenda and the corresponding National Development Plan. It pinpoints the most relevant legal mechanisms to support a CE strategy, and identifies 5 priority sectors (manufacturing, agriculture, commerce, construction, and oil & mining) for the CE transition. When finalised (end of 2020), the White Paper will include concrete lines of action within the priority sectors, as well as measures to further develop and implement the necessary policy and regulatory framework and to secure appropriate financing for all actions.

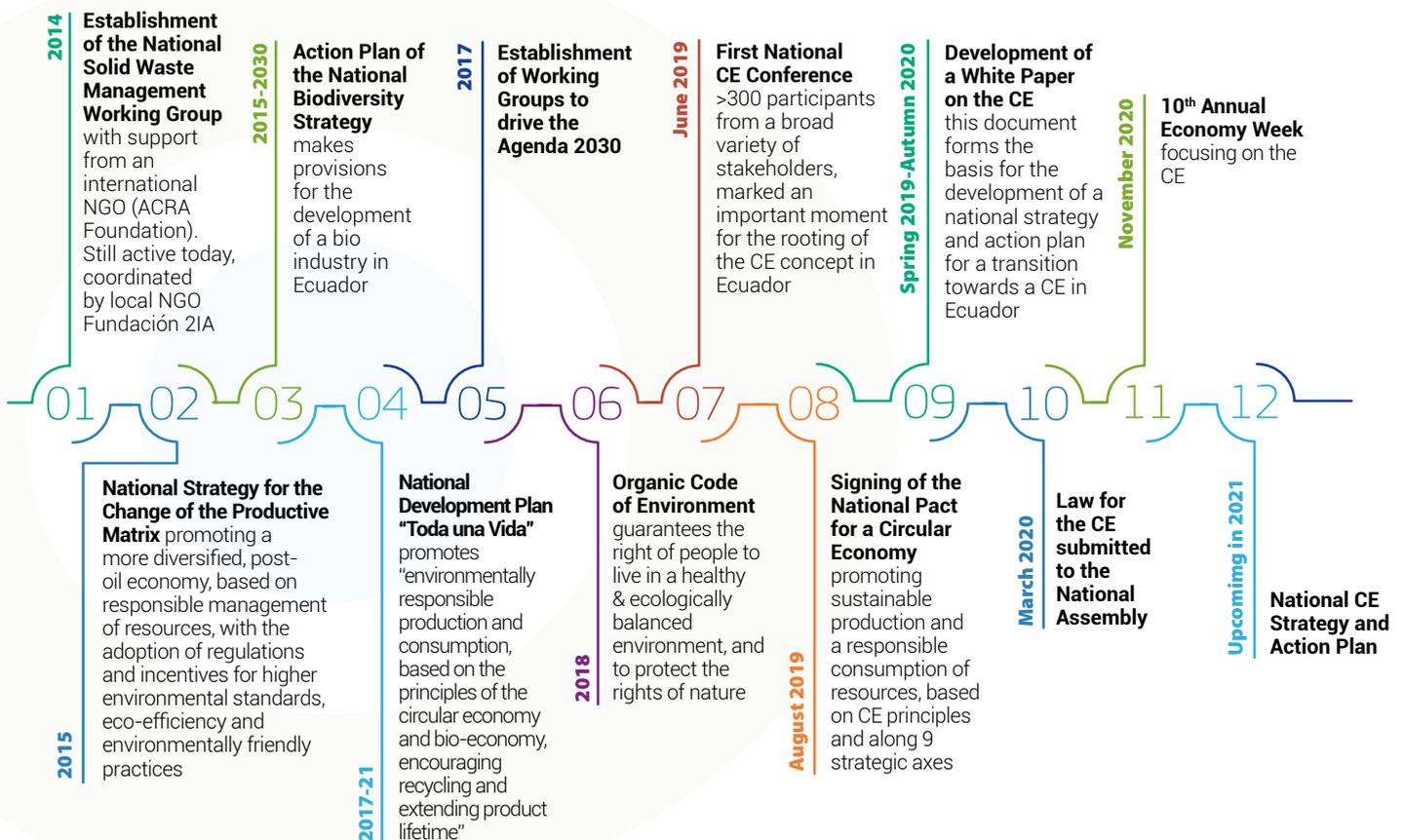
◉ **Disseminating information and sharing knowledge:** Widespread awareness on the CE was facilitated by the First National Conference on the Circular Economy (2019) and connected media campaigns, creating a common understanding of the concept. It kick-started the development of a White Paper geared towards a CE-specific policy and regulatory framework.



*“Even with limited resources, with the right narrative of the importance of a transition to CE, open dialogue with key counterparts, the mobilisation of EU expertise, a solid communication strategy and a pinch of creativity you can give important impulses to the process and achieve a large impact”*

Andrea Ferrari Bravo, Head of Cooperation, EU Delegation to Ecuador

## Key milestones for the green and circular transition



## Drivers for the circular shift

◉ **Environmental Protection:** Ecuador is highly biodiverse, hosting around 6.1 per cent of all species reported worldwide. Protecting its great natural riches, Ecuador was the first country in the world to recognise nature in its constitution as an individual entity with its own rights.

◉ **Regional Leadership Ambition:** As the topic of CE is gaining traction in the Latin American region, Ecuador has ambitions to stay at the forefront and take on a leadership role. The prospect of being an example for the region is compelling.

◉ **Economic benefits:** Circular Economy provides a Framework for a transition to a more diversified, post-oil economy, based on responsible resource management. The First National CE Conference offered a forum for a critical number of key actors in Ecuador to discuss on the competitive advantages offered by circular economy approaches across all productive sectors, such as reduced raw material costs, and improved export conditions. The prospect of CE benefits may also be linked to the wide endorsement of the National Pact for the Circular Economy.

◉ **Political direction:** Achieving the buy-in and leadership of the Vice-President's (VP) Office was an important cornerstone as the VP has a special mandate from the president to reactivate the economy and the VP's office is also responsible for inter-ministerial coordination. The VP's office has been instrumental in securing high levels of participation in all key milestones so far, including the National CE Conference, the National Pact for CE and the CE white paper.

### DRIVERS

Environmental **protection**  
Regional **leadership ambition**  
Economic **benefits**  
Political **direction**  
Private sector **engagement**

◉ **Private sector engagement:** Commitment from the private sector has contributed in stimulating ambition at national level. Next to signing the National Pact for the CE, private sector actors supported various activities including the mapping of CE projects and the co-funding the White Book, while also engaged in relevant policy processes.

## How the EU helped kick off a CE process in Ecuador

The motivation of the EU Delegation (EUD) to Ecuador to introduce the CE concept and co-drive the country's transition process was twofold: On the one hand, the EUD had a strong track record in supporting waste management projects.

Since 2006, 30 relevant projects with a total volume of over €17.5 million were supported by the EU. Therefore, a wealth of experience and a vast network of partners relevant to the CE context existed.

On the other hand, an opportunity appeared for support towards a more organised country transition to a circular economy, as relevant interest by national actors (notably the government) rapidly grew.

### EU support at a glance

- ◉ Sponsoring a permanent working group on integrated solid waste management
- ◉ Organisation and funding of the First National Conference on the Circular Economy
- ◉ Provision of technical assistance to the Ecuadorian Government via the SWITCH to Green Facility for the elaboration of a White Book on the Circular Economy
- ◉ Launch of a massive communication campaign on CE
- ◉ Funding of various courses for CE to establish academic education
- ◉ Facilitation of an expert network
- ◉ Close support to a pilot private sector investment involving an EU company (Life for Tyres)

## Lessons Learnt

Over the last two years, the close involvement of the EUD in accompanying Ecuador in its transition towards a circular economy led to the following lessons learnt:



**Understanding the motivation of key actors** helps recognise the topics that drive the debate within relevant sectors and identify factors therein encouraging CE related actions among stakeholders.



**Identifying a champion / key player / influencer / coordinator** is instrumental in successfully integrating CE across all relevant sectors and securing a high level of participation in all key milestones. Getting the buy-in and leadership of the Vice-President's Office, has been one of the largest successes of the EUD in Ecuador.



**Conducting a deep analysis of the country context and its actors** opens up multiple entry points, including at the policy and private sector levels.



**Creating a common and wide-spread understanding of CE** enables ownership over the topic among stakeholders, facilitates an informed dialogue, and enables actors to formulate coherent strategies.



**Committing as EU Delegation to co-lead the process** (even with limited resources) provides an impetus to reach the desired milestones, and become a strong partner to the government in the CE transition process.

## Future Steps

To fully unfold, the CE transition would also need to **expand to the local government level**. The national CE strategy will benefit from taking municipal and provincial structures into account, **including measures for the household level**. **Improving cross-sector coordination and participation** is another key to success, as the shift to a CE touches on a vast number of economic sectors and actors.

**Certification and labelling schemes need to be professionalised** and regularised, to both ensure the quality of CE approaches and build trust among consumers. To expand CE, **public and private investments** for increasing research, innovation and adoption of new technology need to be facilitated. The banking sector will require support to be able to quickly adapt to these developments and also absorb and implement these specialised funds.

