

Latin-American and the Caribbean

Regional Coalition on Circular Economy:

increasing resource efficiency and enabling human and environmental well-being

Terms of Reference

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I. Context - Mandates on Circular Economy

Setting the context for the circular economy in Latin-America and the Caribbean:

Mandate:

- At the Fourth Session of the United Nations Environment Assembly (UNEA 4) the Member States recognized sustainable consumption and production (SCP), including circular economy, as an area where political guidance is required, and expressed commitment to ambitiously scale up SCP efforts for ensuring delivery on the environmental dimension of the 2030 Agenda, and the Paris Agreement goals, particularly Sustainable Development Goal (SDG) 12 and the more than 50 of the 169 SDG targets that dependent on resource efficiency.
- The Resolution adopted in UNEA-4 (UNEP/EA.4/RES.1) "*Innovative pathways to achieve sustainable consumption and production*" invites all countries "to consider approaches and policies for achieving sustainable consumption and production, including but not limited to improving resource efficiency and moving towards a circular economy, when developing relevant national plans and policies, sustainable development strategies and sector policies or equivalents to decouple economic growth from environmental degradation and primary resource consumption";
- The circular economy presents a significant opportunity to address and achieve various Multilateral Environmental Agreements (MEAs) and international environmental goals, including the SDGs, Climate Change/Paris Agreement, the Convention on Biodiversity, as well as for reducing the environmental impacts of our current linear economies, while boosting economic growth, social development and local prosperity improvement;
- At the Intersessional Meeting of the Regional Forum of Ministers of Environment, the proposal for the development of a Regional Coalition on Circular Economy was presented. Countries welcome the proposal for the development of a Regional Coalition on Circular Economy with the main objectives to develop a common regional vision and work plan on circular economy in order to have a bigger impact, build cooperation and have a regional platform to exchange best practices and provide technical support. United Nations Environment Programme (UNEP) was requested to build the coalition in close cooperation with international and regional partners such as Ellen MacArthur Foundation (EMF), Konrad Adenauer (KAS), the World

Economic Forum (WEF), The Platform for Accelerating the Circular Economy Coalition (PACE), United Nations Industrial Development Organization (UNIDO), The Climate Technology Centre & Network (CTCN), the Inter-American Development Bank (IDB), among others. Countries also requested to include the private sectors, in particular Small and Medium size Enterprises (SMEs), as well as emphasis on the consumer side and behavioural change.

Regional Context of Circular Economy:

- The achievement of the Agenda 2030 and the Paris Agreement emphasizes the imperative to move from a linear approach of our economy (based on extraction- production -consumption and disposal) to a circular economy approach which could help to increase resource efficiency and enable human wellbeing and ecosystem restoration.
- The Latin America and the Caribbean (LAC) region has been a champion in promoting and implementing sustainable consumption and production (SCP). Since 2003, the region developed its Regional Strategy on SCP and it has been endorsed by the Regional Forum of Ministers of Environment. This Strategy was updated in 2015, aligning it to the Agenda 2030 and its Sustainable Development Goals (SDG), and building upon the existing work and best practices in the region and globally.
- The Forum of Ministers of Environment of Latin America and the Caribbean has endorsed and supported the establishment of the *Regional Council of Government Experts on SCP* (composed by the national SCP focal points) and approved the Regional SCP Strategy.
- In the last years, the LAC region has been very active in the promotion of circular economy. Latin-American and Caribbean countries are interested in, are developing, or have already developed their national circularity strategies, plans and/or roadmaps. However, there is need for a common regional perspective and an integrated approach that scales-up national and regional efforts on circular economy through strategic partnerships and coordinated actions.

Working definition of circular Economy

Based on the United Nations Environment Assembly (UNEA) 4, resolution on SCP (UNEP/EA.4/Res.1), a **circular economy** is one of the current sustainable economic models, in which products and materials are designed in such a way that they can be reused, remanufactured, recycled or recovered and thus maintained in the economy, along with the resources of which they are made, and the generation of waste, especially hazardous waste, is avoided/designed out and minimized, and greenhouse gas emissions are prevented or reduced, contributing significantly to sustainable consumption and production and reducing the impacts of climate change.

Briefly, circular economy can be understood as an economic system where the value of products and materials is maintained, and systems are enhanced, enabling human and environmental well-being. A circular economy is based on the following 3 principles:

Principle 1: Design out waste and pollution

Principle 2: Keep materials in use in their highest value

Principle 3: Regenerate natural systems

II. Vision and Mission of the Regional Coalition on Circular Economy:

The Coalition aims at supporting countries to adopt, promote and implement circular economy action plans, policies and initiatives at national and regional level. It is open to all governments, ministries and stakeholders from the public and private sector in the LAC region.

1. Vision 2030:

Countries in Latin America and the Caribbean have started to move from a linear to a circular economy model, decoupling economic growth from environmental degradation and resource use, while improving human well-being, ecosystems regeneration and prosperity for all, contributing to the achievement of the Agenda 2030 and Paris Agreement.

2. Mission:

To provide a regional platform to enhance inter-ministerial, multi-sectoral and multi-stakeholder cooperation, increase knowledge and understanding on circular economy, provide capacity building and technical assistance for the development of public policies for circular economy and sustainable consumption and production.

3. Opportunities:

There are opportunities to scale-up national and regional efforts on circular economy by:

- a) Develop a more coherent regional agenda taking advantage of the individual expertise, mandate and added value of the Coalition's strategic partners.
- b) Setting up harmonized goals and coordinated action across all LAC countries and avoid duplication of work;
- c) Fostering more coordination and inter-ministerial, cross-sectoral and multi-stakeholder collaboration;
- d) Scaling up circular economy efforts of multiple Latin-American and Caribbean stakeholders (e.g. governments, cities, private sector, research institutes, among others);
- e) Involving the business sector in the conversations with the government on setting national levels of ambitions;
- f) Promoting an integrated and holistic approach to circular economy that goes beyond waste, and addresses the entire value chain (including virgin material extraction, product design, production, distribution, consumption phase, business models, etc.) that could bring more benefits to the industry and impact positively the economy, the society, academia, cities and national governments;
- g) Integrating sustainable lifestyles and sustainable consumption/behaviour change approaches in the work on circular economy.

4. Objectives:

The creation of the Latin-American and Caribbean Circular Economy Coalition will seize on these opportunities with the following value proposition:

- a) Create a common regional vision and agenda on circular economy;
- b) Facilitate South-South and triangular Cooperation between governments, private sector and international organizations, among other actors to raise awareness on circular economy, share knowledge and best practices and join efforts;
- c) Support the development of tools and indicators to promote and to measure circular economy with national/regional and sectoral focus;
- d) Facilitate and offer capacity building opportunities (training, research, webinars, etc.);

- e) Support pilot projects in the private and public sectors implementing the principles of circular economy, with special focus on SMEs;
- f) Support resource mobilization to adopt circular economy in the region;
- g) Increase visibility of circular economy and showcase the regional leadership in relevant regional and international fora (e.g. High-level Political Forum (HLPF), Conference of Parties COPs), including the events of the strategic partners.

5. Expected Outcomes

The work of the Regional Coalition on Circular Economy envisages the following expected outcomes:

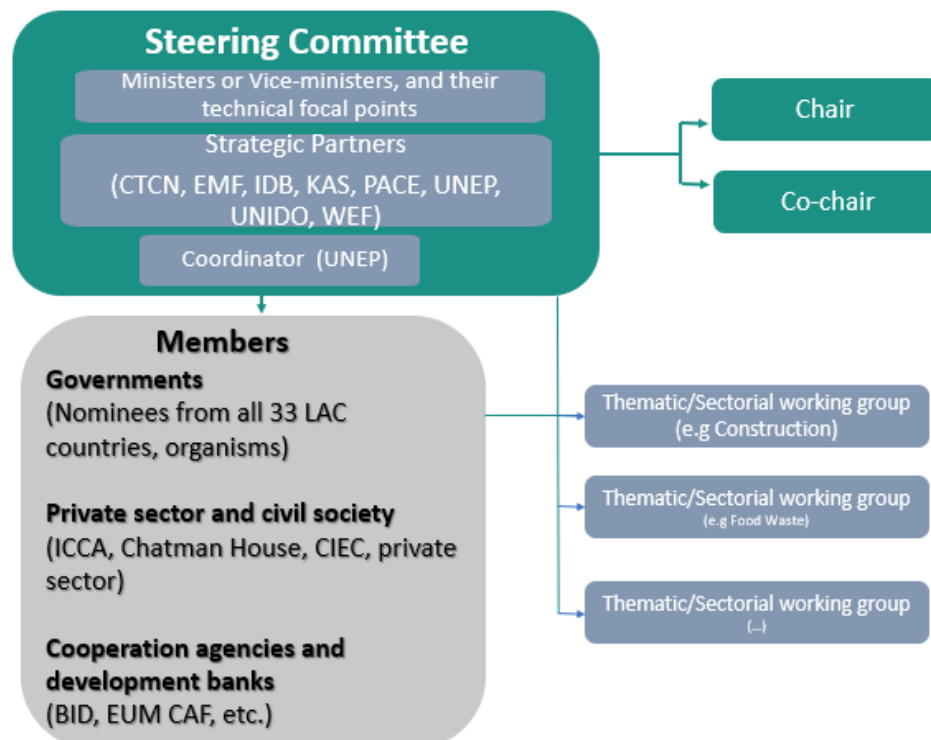
- a) Increase knowledge, capacities and cooperation in the Latin American and the Caribbean Region around circular economy contributing to the achievement of the SDGs, Paris Agreement and protection of our planet.
- b) Develop a common regional vision and a roadmap on circular economy.
- c) Support the setting of ambitious targets/aligned to the SDGs and the Intended Nationally Determined Contributions (NDCs) across the region, contributing to the COPs on Climate Change and Biodiversity, and stimulating the local economy, technological and social innovation ensuring inclusion and the gender balance dimension.
- d) Increase the availability of science-based knowledge on circular economy, tools, sectoral approaches, business models, policies and indicators on circular economy, that are supporting national and local implementation.
- e) Increase engagement of government, local authorities, business and NGOs in setting up enabling frameworks, public policies and roadmaps on circular economy;
- f) Seize South-South and North-South Cooperation opportunities to achieve policy implementation synergies for governments and benefits for cross-continent business.
- g) Increase resources and cooperation for research, capacity development and implementation of circular economy.
- h) Promote the development of financial mechanisms for circular economy and the engagement with financing institutions.

III. Operational structure and functions

The Regional Coalition on Circular Economy will be governed by a Steering Committee, supported by Strategic Partners and a Coordinator. The Coalition will be an open platform where all governments, private sectors, institutions, NGOS, intergovernmental and international/regional organizations working on circular economy can participate and contribute to.

The structure and governance of the Regional Coalition on Circular Economy is illustrated in figure 1 and described below.

Figure 1: Structure of the Regional Coalition



6. Steering Committee

The roles and responsibilities of the Steering Committee are the following:

- i.) Promoting the cooperation between countries implementing the circular economy.
- ii.) Mobilizing resources and funding for circular economy, including voluntary contributions.
- iii.) Developing the roadmap and annual work plan.
- iv.) Reviewing work plan and the annual progress report of the Coalition.
- v.) Representing the Regional Coalition at relevant international and regional events organized by the Strategic Partners, and other events and fora.
- vi.) Convening global, regional and national meetings.
- vii.) Inviting representatives from relevant private sectors, NGOs and regional/international organizations to participate and collaborate with the Coalition.
- viii.) Increase visibility and outreach of the Coalition.
- ix.) Equipping members with insights and tools to help them accelerate their transition to a circular economy.

6.1 Composition and Representation:

The Steering Committee is composed of 4 high level government representatives (Minister or Vice-Minister) from different countries and the Strategic Partners and the Coordinator. The representation of the countries will consider a regional balance as much as possible.

Each government member of the Steering Committee will designate an alternate and one technical member from the same country, they could be from the same or different Ministry. The Alternate will represent the Minister or Vice-Minister at those Steering Committee meetings or conference calls which she/he is unable to attend. The technical member will be in continuous communication and collaboration (e.g. monthly conference calls) with the Strategic Partners and the Coordinator.

6.2 Nomination and rotation

Governments interested in being part of the Steering Committee will make a formal expression of interest to the Coordinator. The selection of the countries will be within the framework of the Regional Forum of Ministers of Environment, and will be based on the following criteria:

- The country has in place relevant initiatives on circular economy at the national level,
- The country has a national and regional leadership in the area of circular economy,
- The country agrees and commits to the objectives of the Regional Coalition and to support its activities, acting as an “Ambassador” of the Regional Coalition
- The country can host one regional event on circular economy and provide financial or in-kind contributions towards that end.
- The country will identify opportunities and support the resource mobilization for the Regional Coalition activities.
- The selection of countries will try to keep as much as possible a regional balance.

The government members of the Steering Committee will serve for a two-year term, starting from the date of the establishment and launching of the Coalition. For the first term, 50% of the government members will serve for a period of three years in order to keep the institutional memory and avoid a full renewal of the Steering Committee. After that, no Member State may be eligible to serve more than two consecutive terms. The Steering Committee members shall remain in office until their new successors are elected.

6.3 Chair and Co-chair:

The Steering Committee will have one Chair and one Co-chair which will be selected from and among the four government representatives. If the Chair is temporarily unavailable to attend meetings or specific events, the co-Chair will be serving as Chair. If any of the Chair and Co-chair is unable to complete the term of office, the Steering Committee will elect a replacement to complete the term of office.

Role of Chair and Co-chair:

- a) Chair the Steering Committee meetings.
- b) Provide inputs / guidance on agenda items and background documents for Steering Committee meetings.
- c) Promote strengthened collaboration among Steering Committee members.
- d) Represent the Coalition in relevant fora.
- e) Oversee the preparation of annual reports with the support from the Coordinator.
- f) Host an annual meeting of the Steering Committee when possible and a regional event.

7. Strategic Partners

The strategic partners will be permanent members of the Steering Committee. These partners are those institutions that have supported the creation and development of the Coalition, and are listed below:

- Ellen MacArthur Foundation (EMF),
- Konrad Adenauer Foundation (KAS-EKLA),
- Platform for Accelerating Circular Economy (PACE),
- United Nations Environment Programme (UNEP),
- United Nations Industrial Development Organization (UNIDO),
- Climate Technology Centre and Network (CTCN),
- World Economic Forum (WEF), and
- Inte-American Development Bank (IDB).

Based on the mandates, expertise and regional activities of each of the strategic partners, they will support some of the main areas of work of the Regional Coalition. This will allow to build synergies, cooperation, and a more coherent regional agenda with a bigger impact, while avoiding duplications.

The functions/contributions of each the Strategic Partners are defined as listed in the table 1 below. It should be noted that in *section 11. Thematic / sectoral working groups*, the work areas for the year 2021 are defined.

Table 1: Areas of work and contributions from each Strategic Partner

Areas of Work	IDB	CTCN	EMF	KAS	PACE	UNEP	UNIDO	WEF
Advocacy, leadership dialogue to increase understanding on Circular Economy	X	X	X	X	X	X	X	X
Elaboration of policy recommendations	X	X	X	X		X	X	X
Research & knowledge development	X	X		X	X	X	X	X
Capacity development – training and exchange of good practices	X	X	X	X		X	X	X
Technical assistance for Implementation	X	X				X	X	
Communications and outreach	X	X	X		X	X	X	X
Sectoral Focus	IDB	CTCN	EMF	KAS	PACE	UNEP	UNIDO	WEF
Plastics	X		X	X	X	X	X	
Electronics					X	X	X	
Cities and construction	X	X	X	X		X	X	
Food and agriculture	X	X	X		X	X	X	
Fashion/Textile industry		X			X	X	X	
Waste	X	X		X		X	X	
Manufactory & Industry		X				X	X	
Tourism	X					X	X	

8. Coordinator

The United Nations Environment Program - Regional Office for Latin America and the Caribbean, will provide the permanent coordination arrangements for the Regional Coalition.

Roles and Responsibilities:

- 8.1** Support and organize the periodical meetings and agendas of the Coalition, including the meeting with the Steering Committee.
- 8.2** Support to development of the work plan in close consultation with the Steering Committee.
- 8.3** Support the organization of meetings, workshops, webinars, and other meetings of the Coalition.
- 8.4** Provide an updated calendar of meetings and events of the Coalition, and other relevant events on circular economy.
- 8.5** Prepare the annual progress report of the Coalition.

9. Other members of the Coalition

Any interested institution, organization, NGO and government can be member of the Coalition according to their interest, work and scope on circular economy. Such participation is voluntary and does not represent any legal commitment. They can be passive and active members. Passive members (or beneficiaries) are those who participate in some of the trainings, workshops, webinars and receive information on the Coalition. Active members are those who are willing to provide resources such as: expertise, in-kind and financial contributions, alliances for joint activities, among others.

9.1 Government

- All National Focal Points of the Regional Council of Government Experts on Sustainable Consumption and Production will be members of the Coalition (endorsed and responding to the mandate of the Latin America and Caribbean Regional Forum of Ministers of Environment).
- All other government representatives sending a formal notification to the Coordinator can be considered Governmental Members of the Coalition.

9.2 Private Sector and Civil Society

- Any company, business, SMEs, NGO, University, institution and regional or international organization can become a member of the Coalition, taking into account a series of selection criteria defined by the Steering Committee.

9.3 Cooperation agencies and development banks

- Any multilateral and bilateral cooperation agency, development bank and financial institution can participate in the Coalition.
- They can contribute in the events, dialogues and other activities.
- They can become donors of the Coalition.

10. Funding and Resourcing

In the initial stages, the Coalition will be administered by the collective commitment of its Strategic Partners and members. A financial strategy and project proposals will be developed to finance the Coalition and its activities.

11. Thematic/Sectorial Working Groups

To facilitate and focus the work of the Coalition, working groups will be established. The groups will respond to the regional priorities and needs and will be agreed by the Steering Committee.

For year 2021, the defined thematic groups are:

- Plastics
- Electronics
- Cities and construction
- Food and agriculture
- Industrial symbiosis
- Tourism

The thematic working groups will be led by the member countries of the Steering Committee with the technical support of the Strategic Partners. The members of the groups will define the corresponding activities and events with a biannual update.

IV. Working Modalities

12. Meetings

12.1 Annual meeting

The Steering Committee is expected to meet face to face at least once a year, with the possibility of an additional meetings when required and depending on availability of resources. The face to face meeting shall be organized back-to-back with related meetings.

12.2 Virtual meetings:

The Coalition will use electronic means of communication to facilitate the work of the Coalition. This will include: two (2) high level conference calls (with the Ministers or Vice-Ministers), and one periodical conference call at least quarterly, with the technical focal points and strategic partners.

12.3 Quorum

The participation of three (3) of the four (4) member countries of the Steering Committee is required. Likewise, the presence of at least 80% of the Strategic Partners is requested in virtual and face-to-face meetings.

13. Decisions

- The decisions of the Coalition will be taken in consensus with the Steering Committee.
- If all the efforts of Members to reach a consensus have been exhausted, the decision, as a last resort, will be taken by the majority.

14. Documentation

- The supporting agendas and documentation will be prepared by the Coordinator in consultation with the Steering Committee.
- An annual progress report will be made at the end of the year, facilitated by the Coordinator and with the inputs of all the members of the Steering Committee.

15. Official languages:

- The official languages of the Coalition will be Spanish and English.

- The official documents of the Coalition will be prepared in both languages, according with the availability of resources.
- The Regional meetings will be organized in Spanish and in English when resources allow it.

16. Branding / Visual Identity

- A visual identity of the Coalition will be developed – it includes a logo, common templates for PPT and communication material.
- Communication material includes:
 - Social media: Twitter account and Facebook, common hashtags.
 - Newsletters, flyers, among others.
- Developing key messages tailored to different audiences and stakeholders.
- Joint press releases and high-level panels in key regional and global events.

17. Modifications

- The governance structure and Work Plan may be modified at any time by the Steering Committee.