



Resource efficiency and circular economy measures in companies in Argentina

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Argentine Business Council for Sustainable Development (CEADS), the national chapter of the World Business Council on Sustainable Development (WBCSD), cooperated on a *self-assessment tool*, whose purpose is to analyse the contribution of resource efficiency and circular economy measures in companies to climate goals and the Agenda 2030 in Argentina.

The private sector operates in an increasingly complex context of social and environmental impacts of natural resource extraction, the production of goods and services, their consumption and the final disposal of waste. This sequence and its consequences respond to the current production and consumption model of a linear economy. To face these challenges, various global and multilateral initiatives have been developed, among which the 2030 and the Paris Agreement stand out for their importance.

Links with Argentina's NDC and Agenda 2030 goals

Circular economy and resource efficiency, the Agenda 2030 and the Paris Agreement are not independent agendas. On the contrary, their goals must converge in concrete actions and solutions for each sector. Understanding the links between circular and resource-efficient business models, climate goals and the Agenda 2030 is a pending but highly relevant task to articulate solutions and generate synergies between actors and sectors, increase ambition and accelerate the pace of change.

The self-assessment tool analyses for selected cases how and to which extent resource efficiency and circular econ-

Are circular economy and resource efficiency the same?

The circular economy is an economic system of closed loops in which raw materials, components and products lose their value as little as possible, renewable energy sources are used and systems thinking is at the core. Whereas circular economy advocates keeping as many materials as possible already in use in a closed circuit for as long as possible, resource efficiency is defined as the ratio between a certain benefit and the resource use required for it. An increase in resource efficiency will be obtained if a certain benefit in goods (products) can be achieved with less use of natural resources. Resource efficiency focus areas, such as substitution or recycling of material, are strategies and practices within a broader economic system of a circular economy.

Resource efficiency and circular economy support many of the objectives of the Agenda 2030 and the Paris Agreement. The production of goods and services achieves higher levels of efficiency in meeting these objectives by incorporating a circular model and resource efficiency, while offering companies opportunities to serve the market in a responsible and sustainable way.

Published by



On behalf of:



Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

INTERNATIONAL CLIMATE INITIATIVE (IKI)



of the Federal Republic of Germany

omy strategies can contribute to reaching the goals of Argentine's National Determined Contribution (NDC) and Agenda 2030.



What is the benefit realised by the self-assessment tool?

- ▶ Identification of business cases of circular economy, resource efficiency, efficient and low-carbon solutions which exemplify circular economy strategies and practices in different economic sectors of the country.
- ▶ Understanding the link between the resource efficiency solutions identified with the climate goals established by Argentina in its NDC and with the Agenda 2030 goals prioritised by the country.
- ▶ Development of a set of recommendations to replicate and scale existing solutions and cases in the country, so that they effectively contribute to the Agenda 2030 and the Argentine NDC.

This analysis was developed based on the cases that the member companies of CEADS voluntarily and publicly presented on the platform www.ods.ceads.org.ar. It is the first local approach in Argentina to converge key aspects of the Agenda 2030, the Climate Agenda and the Circular Economy, which may be completed and improved in later exercises by having more information and refinement of strategies.

The methodology

The 186 cases contained in the CEADS Platform were analysed and those were selected that presented, a priori, potential for using circular economy and resource efficiency strategies. With this selection, the total of cases was reduced to a sample of 69 with potential for circular economy and resource efficiency application. To these were added another eleven submitted directly to CEADS so that they could be analysed under the same methodology, completing the finally revised number of 80 cases. Then a proprietary methodology was developed that allows an objective and replicable evaluation of the cases presented by companies, in terms of innovation, degree of maturity, impact and scalability of the practices, among other aspects. This methodology was systematised into a tool so that each evaluation is objective and consistent.

To download this tool*, click here:



The self-assessment tool consists of a questionnaire with about 60 questions addressing the above-mentioned terms. Given answers are automatically evaluated, and the current implementation status and potential within the company are shown in numbers and graphs.

Once this preliminary diagnosis of the business strategies and practices of resource efficiency and circular economy was obtained, the results were linked to the Agenda 2030 and the NDCs.

* <http://www.ceads.org.ar/wp-content/uploads/2020/09/Herramienta-web-de-análisis-Economía-Circular-CEADS-1.xlsx>

Analysis according to business model

In order to characterise the transition strategies towards the circular economy, the WBCSD has defined the five following business models:

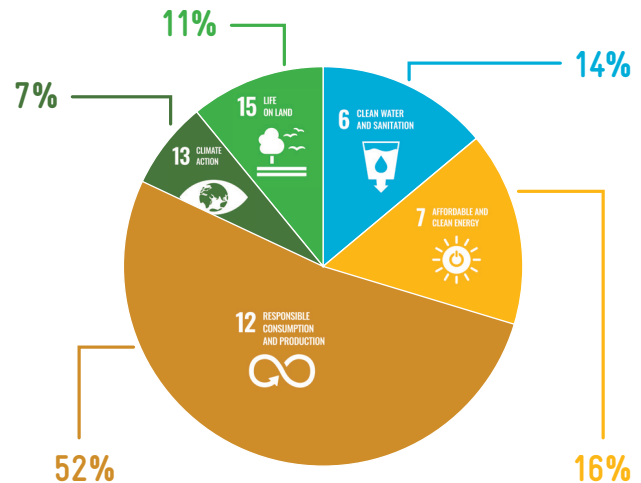
- ▶ **CIRCULAR SUPPLIES:** Use renewable energy and bio-based or fully recyclable inputs
- ▶ **RESOURCE RECOVERY:** Recover useful resources out of materials, by-products or waste
- ▶ **PRODUCT LIFE-EXTENSION:** Extend product life cycles by repairing, upgrading and reselling, as well as through innovation and product design
- ▶ **SHARING PLATFORM:** Connect product users to one another and encourage shared use, access or ownership to increase product use
- ▶ **PRODUCTS AS A SERVICE:** Move away from product ownership and offer customers paid access to products, allowing companies to retain the benefits of circular resource productivity or ownership to increase product use

Distribution of Initiatives by Circular Business Model

40% of the cases demonstrate transition strategies from the linear to the circular economy. Of these cases, the main circularity strategy implemented by companies in Argentina today is resource recovery, followed by product life cycle extension and circular supplies. There have been no cases that show evidence that the exchange platform or product-as-a-service models are being used.

Links to the SDGs

Each **resource efficiency strategy** or **circular economy model** contributes in a special way to certain **Sustainable Development Goals**, with the greatest impact on **SDG 12** (responsible consumption and production); followed by **SDG 6** (clean water and sanitation); **SDG 7** (affordable and clean energy); **SDG 13** (climate action) and **SDG 15** (life on land).



Which SDGs benefit most from RE and CE?

Links to the NDCs

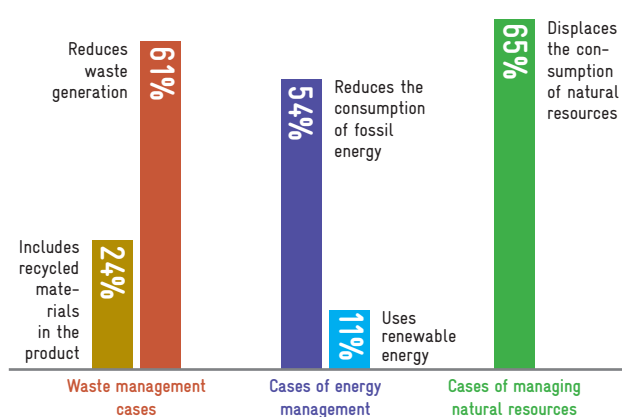
The circular economy plays a key role in achieving the goals of the Paris Agreement: The extraction and processing of materials, fuels, and food contribute half of global greenhouse gas emissions, and in developed countries,



55% to 64% of GHG emissions are related to the extraction, transport and processing of raw materials (OECD1).

The results of the analysis indicate **that resource efficiency and circular economy measures contribute to a considerable extent to achieving the goals set in Argentina's NDC.**

As can be seen in the following graph, more than half of the cases presented displace the consumption of natural resources and reduce waste generation, half reduce the consumption of fossil energy for the same amount of production, and to a lesser extent, they use renewable energies and include recycled materials in the product. All this translates into a contribution (to a variable degree) to the NDCs directly or indirectly, even without explicitly coordinating the business strategy with the government's climate action plans.



Due to the small amount of data and depth, the available data do not allow a final assessment, but are suitable for stimulating a discussion and as preparation for more in-depth studies. In addition, a qualitative and quantitative assessment of the greenhouse gas emissions caused by resource consumption is made more difficult by the lack of suitable, generally recognised calculation methods, which are currently under development.

Recommendations

The cases analysed allow to identify general aspects that describe the current state of the transition from linear economy to resource efficiency and circular economy and from which the following recommendations emerge:

- ▶ Increase the level of associativity to promote the integration of stakeholders.
- ▶ Strengthen the links between these actors to improve the circularity strategy.
- ▶ Align the public and private agendas relying on resource efficiency and circular economy.
- ▶ Converge the agendas of CE, SDGs and NDCs:
 - Agree on priority objectives
 - Jointly define key indicators to follow up on their commitments
 - Identify and value aggregate information and improve exchange between sectors
 - Establish a common space to disseminate and analyse the experiences.

Can the project with the associated tool also be transferred to other countries?

The procedure and the related diagnosis excel tool can be used in other contexts defined by the participants. It is currently about to be introduced in Mexico with CESPEDES and in Guatemala with CentraRSE, the respective national offshoots of the WBCSD.

Replication potential

“ The implementation of the circular economy model in companies will allow them to achieve synergies that contribute to climate protection and compliance with the SDGs. Through greater resource efficiency and a lower carbon footprint, it will be easier to achieve the goals of the 2030 Agenda and the Paris Agreement. It is an easy-to-use application to analyse and visualise the existing links between both agendas, which helps to understand and take advantage of synergies in a better way. *José Ramon Ardavin, Managing Director of CESPEDES* ”

Published by:
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany

Address Köthener Straße 2-3, 10963 Berlin, Germany, www.giz.de

Project: Initiative Resource Efficiency and Climate Action
This project is part of the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag.

Contact: Elisabeth Dürr, elisabeth.duerr@giz.de

Design/layout: Additiv. Visuelle Kommunikation, Berlin

Photo credits: p. 2: Sasirin Pamai - 123rf.com, GIZ

URL links:
Responsibility for the content of external websites linked in this publication always lies with their respective publishers. GIZ expressly dissociates itself from such content.

GIZ is responsible for the content of this publication.

Berlin, 2021