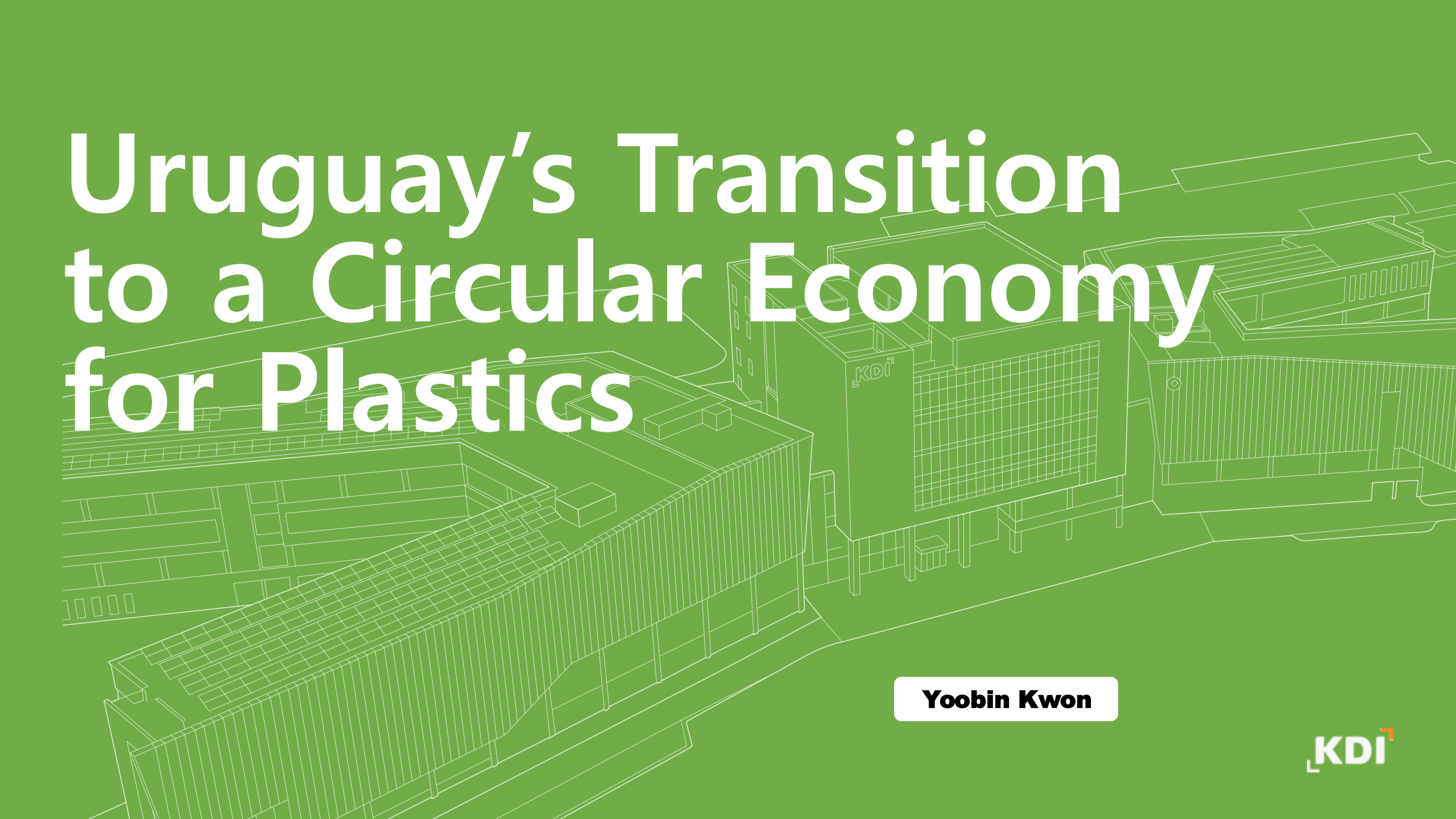


Uruguay's Transition to a Circular Economy for Plastics



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KDI

1

Circular Economy

What is a circular economy?

- A model of production and consumption, which involves **sharing, leasing, reusing, repairing, refurbishing** and **recycling existing materials** and **products as long as possible**.
- In this way, **the life cycle of products is extended** and **waste is reduced to a minimum**.

When a product reaches the end of its life, its **materials are kept within the economy** and can be productively used again and again, thereby **creating further value**.



Source: European Union



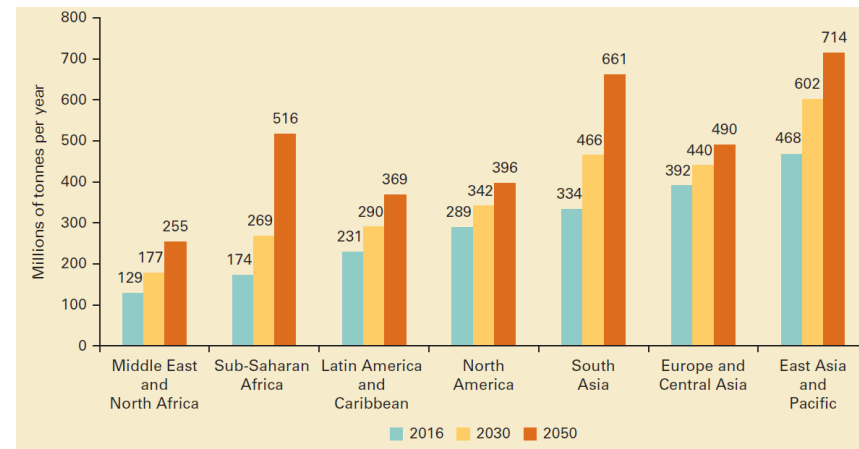
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Circular
Economy

Why does a circular economy matter?

- **The global waste generation is continuously increasing**
2 billion tons was generated in 2016, 3.4 billion tons are expected in 2050

<Projected waste generation, by region (millions of tonnes/year)>



Source: World Bank

- Benefits from the circular economy:
 - **Resource Efficiency:** Reduces the consumption of finite resources by promoting reuse, recycling, and sustainable sourcing.
 - **Waste Reduction:** Minimizes waste generation through better product design and waste management practices.
 - **Environmental Protection:** Decreases pollution and greenhouse gas emissions, contributing to climate change mitigation.

2

The Current Situation of Plastic Waste in Uruguay



Uruguay faces a significant waste management issue

- **Uruguay's per capita waste generation** is 1.2 tons and it is more than **three times higher than that of Argentina** and **Brazil** with larger populations and economies
- In Montevideo, approximately **16 million tons of residential waste** are generated daily, of which **only about 4% is recycled**, while the remaining 96% is sent to landfills.
- Excessive waste generation in major cities has led to various social and environmental issues, including unsanitary landfill conditions, landfill saturation, and environmental pollution.

Plastic Waste in Uruguay is also continuously increasing

- 120K tons in 2016 → 210K million tons in 2019

The recycling rate of plastic waste in Uruguay is only about 3.4%.

- Around 7,000 tons of plastics was recycled in Uruguay
- Non-recycled plastic waste is managed through incineration and simple landfill methods, and some waste is even disposed of illegally

3

Uruguay's Laws and Policies for the Circular Economy for Plastics



Plastic Packaging Recycling Law

(Law No. 17.849) (2004)

- **All packaging materials must comply with standards** established by the Ministry of Environment and **must receive certification** before they can be commercially distributed.
- Manufacturers and importers are required to develop a packaging management plan, which must include **detailed measures for the collection, recycling, and treatment of packaging materials**. This plan is subject to approval by Uruguay's Ministry of Environment.
- The law applies to **all types of packaging** distributed in the consumer market.

Sustainable Use of Plastic Bags Law

(Law No. 19.655) (2018)

- **Plastic bags must be made from biodegradable or compostable materials** that meet standards set by the Ministry of Environment.
- **All plastic bags must obtain a conformity certification** from an accredited institution before they can be commercially distributed.
- The production, import, distribution, and sale of plastic bags that are non-biodegradable or non-compostable are prohibited.

3

Uruguay's Laws and Policies for the Circular Economy for Plastics



Integrated Waste Management Law

(Law No. 19829) (2019)

- A law addressing the management of all forms of waste

National Waste Management Plan (PNGR)

(2021)

- The implementation period: 2022–2023
- Goals have been established in the following areas:
 - 1) waste generation,
 - 2) collection, transportation, and treatment,
 - 3) recycling, 4) social integration,
 - 5) job creation, 6) economic sustainability,
 - 7) technological innovation and research & development,
 - 8) institutional capacity,
 - 9) participation and education, and
 - 10) information and communication.

Uruguay+ Circular

(2021)

- Action plan of PNGR

4

Restricting Factors for Promoting the Circular Economy in Uruguay

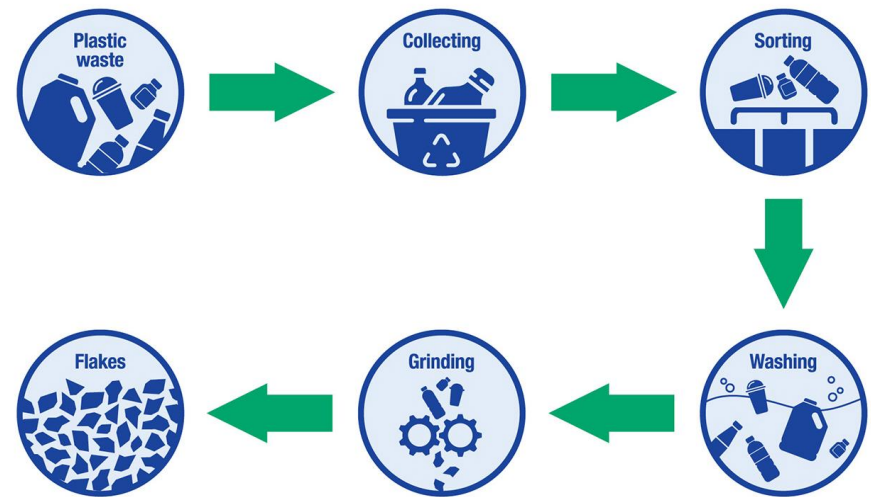


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The lack of infrastructure and technology for effective waste collection and sorting

- To ensure effective reuse, remanufacturing (repair), and recycling of plastic waste, **contamination should be minimized** at the 'collection' stage, and the collected plastic waste **must be accurately sorted by type**.
- However, due to outdated infrastructure and technology, the quantity, quality, and availability of recovered plastic waste in Uruguay are low, and accurate sorting by type is insufficient

<Process of Mechanical Recycling>



4

Restricting Factors for Promoting the Circular Economy in Uruguay



2

Insufficient financial instruments for transitioning to circular economy business models

- Uruguayan small and medium-sized enterprises (SMEs) face **low competitiveness and capital shortages**, limiting their opportunities to enter the global market
- This ultimately restricts their access to funding and investment opportunities, **hindering the adoption of innovative technologies and the transition to circular economy models.**

3

Lack of specific regulations and incentives related to the circular economy

- Further development of a detailed regulatory framework and innovative economic incentives is essential to effectively promote the transition to a circular economy

Thank you

