



DESIGN + ENVIRONMENT

ParlAmericas – 17th Plenary Assembly: Towards a Circular Economy

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Date: November 16, 2020

Notes in Response to Panel Questions

1. *Directed to Mr. Oswald: Why is a circular economy such an important topic in the current socio-economic climate that COVID-19 has caused?*

- *COVID-19* has exposed the world to serious cracks in our socio-economic systems – ranging from our lack of preparedness to a pandemic of this sort to the profound interconnectedness of our economies and our shared vulnerabilities. It has exposed just how un-resilient some of our economies are and therefore forces us to think in terms of building adaptive capacity and resilience – and even to start to think of socio-economic AND socio-ecological resilience.
- I also think that the onset of the *COVID-19* pandemic exposes us to the fragile relationship humanity as a whole has with nature. One little virus crossing over to a human being in a wet-market in China essentially ground the global economy to a halt ... it's staggering
- So what does this have to do with the circular economy? Well, the whole mindset of the circular economy is to use a 'systems perspective' in how we go about modelling organizational, community, and national economies. Mapping out how inflows and outflows of economic activity work – very similar to doing a life cycle analysis for an individual product but looking at economic activity system-wide.
- In order to be able to better prepare ourselves for these kinds of disturbances, or 'surprises', we have to start to model resilience in our socio-economic planning and also consider socio-ecological parameters as well
- In the Caribbean – with such a large dependence on foreign tourism, is a perfect example of how these countries are 'fragile' in light of such profound disturbances.
- If we add to this some of the various other disturbances that confront countries – particularly SIDS (Small Island Developing States) in the Caribbean the argument for circular economy – and resilience-oriented perspectives is even greater.

- For example: building resilience to climatic change through enhanced adaptive capacity: which involves:

- Monitoring and data acquisition and climate data sharing:

<http://design-environment.com/news/archives/3067>

Notes: Our team comprised of a coalition of companies and consultants worked with 8 Caribbean countries and conducted in-country interviews with officials at various ministries – particularly Met Services. The goal was to better understand that status of climate data sharing with a view to designing a data sharing protocol that would for better collective decision making in relation to climate risks. The circular economy is dependent on having accurate data pertaining to impacts of economic activity. Data sharing is critical.

- Risk analysis:

<http://design-environment.com/news/archives/2827>

Notes: Our team worked in Trinidad and Tobago with our client, IICA (InterAmerican Institute for Cooperation on Agriculture), to conduct agricultural risk mapping. We trained in-country representatives in GIS and risk mapping and conducted field assessments. The key concern was flood risk. A circular economy is one that is efficient. High energy storms are happening at a greater frequency in the Caribbean and the impacts are highly disruptive to economic activity and thus greatly impacting economic efficiency. Risk analysis and mitigation are important elements of building national resilience and adaptive capacity to climate change – leading to stable implementation of circular economy principles.

Video of what transpired about a month after our work:

<https://www.dropbox.com/s/rl5mwca6m4ibrbk/Video.MOV?dl=0>

- Understanding synergies with land degradation, food security, and biodiversity conservation:

<http://design-environment.com/news/archives/2801>

Notes: As Parties to UN Conventions, countries are required to periodically submit reports documenting their progress on the objectives of the given Conventions. Circular economy principles are embodied in reducing greenhouse gas emission as part of climate change mitigation. Therefore reporting to the UNFCCC relates closely to these actions. However, conservation of biodiversity (UNCBD) and combating land degradation and desertification (UNCCD) also are linked to circular economy principles. The objectives of the three Rio Conventions are closely related and therefore it is important to attempt to see where there are synergies between different sustainable development policy agendas. Circular economy touches various aspects of each of these Conventions.

OTHER ISSUES:

- In addition, other pressing issues such as droughts, floods, coral reef bleaching and ocean pollution all can be addressed with by adopting circular economy perspectives.
 - The post-COVID situation we are currently living exposes these vulnerabilities and synergies ...
 - AN IMPORTANT FIRST STEP IS FRAMING THE SITUATION IN AN **ENVIRONMENTAL MANAGEMENT LENS**
2. *Directed to Ms. Rose Losada: How can a just transition towards more sustainable economies, including developing a blue economy, help with diversification and job creation?*
3. *Directed to Mr. Oswald: What steps should countries be taking to transform their economies to a circular model and how can these be financed?*
- The economies and societies of Caribbean and Latin American countries are similar in some respects but very, very distinct in many others. Therefore, I don't think there is one generic 'circular model' that applies across the board.
 - **One absolutely needs to consider scale.** One has to look at the core idea of the circular economy, which is to, as much as possible, minimize damage caused by outputs of industrial and economic activity and re-direct output flows as waste to input flows as

resources. This type of 'closed loop' thinking can be applied at the organization level with businesses. Environmental Management Systems can be used as a means of systematically monitoring and tracking energy use, waste management, and health and safety concerns. **ISO 14001** is one example. Implementing an EMS FORCES organization to understand these flows and processes.

- At the provincial / state or national levels – similar thinking can occur by looking at how economic inputs (energy materials etc.) are used and the outputs. This is a modelling exercise. Tools can then be applied to promote certain behaviours – such as putting disincentives on wasteful production (e.g. carbon taxes) and incentivising sustainable behaviour – e.g. tax rebates or subsidies for technologies that will support a sustainable economy.
- IN BOTH CASES – you need data acquisition and reporting systems
- This applies to organizations and their EM Systems (e.g. GHG foot printing) and also to national governments. Our work in establishing national environmental information systems for Saint Lucia, Antigua and Barbuda, and the Caribbean Region exemplifies this:
 - o <https://www.youtube.com/watch?v=OlQcb-Mamxc&t=95s>
 - o <https://www.neis.govt.lc>

NOTES: this platform helps the focal points in Saint Lucia quickly gather data they require to report to MEA's. The data can also serve to inform circular economy policies.

- You simply must have data to effectively deal with these problems.
- This also relates closely to data driven MEA reporting and reporting to the SDGs – which are both essential components of the bigger picture of global sustainable development
- Financing ... be entrepreneurial. The market for funding sustainable projects and business is growing. There is a growing demand by banks and financial organizations to demonstrate sustainability in their due diligence in order to get financed. For public projects, there is an ever-growing market of donors ready to fund sustainability projects – the GEF, MDB's, etc. However, one needs to be strategic, focused, and entrepreneurial in order to get this funding.
- E.g. Beyond Tourism: <https://convocatorias.iadb.org/en/beyondtourism>

Movement in finance sector (BNP Paribas):

- Divestment:
- <https://www.bnpparibas-am.com/en/divestment-from-coal-our-new-policy/>
- Investment:
- <https://www.bnpparibas-am.com/en/total-commits-to-net-zero-emissions-through-climate-action-100-investor-engagement/>

4. *Directed to Ms. Rose Losada:* Tourism is the most important economic sector in most Caribbean countries. How can the tourism sector incorporate circular economy practices and strategies into their operations and how can public policy play a role in this?

5. *Directed to Ms. Rose Losada:* How can circular economy and just transition strategies better integrate women and youth and promote their economic opportunities?

6. *Directed to BOTH:* How can parliamentarians support the transition to a circular economy and help transform the workforce to being more sustainable? For example, do you know of any examples of parliaments using fiscal incentives and legislative mechanisms for this transition?

- *See GSDS.* Promote evidence-based policy initiatives that support circular economic activity. The GSDS broke out specific domains of national development policy – e.g. and then established time based, measurable goals and targets with an M&E Framework and budgetary costing applied.

- <https://doe.gov.gy/gsds>

- <https://finance.gov.gy/gsds/>

- Need to be strategic. Need to be evidence-based. Need as concrete of indicators (and data) as possible. Need to ensure there is capacity to execute on the plan!
- *Secondly, use effective policy instruments* – penalize unsustainable behaviour (taxes and regulations) and incentivise sustainable behaviour (tax rebate or exemption for certain credible sustainable actions (e.g. carbon taxation, promote E P/L thinking for business)
- E.g. Puma Sustainability:
- REPORT: <https://about.puma.com/en/sustainability/reporting>
- TARGETS (One for Circularity): <https://about.puma.com/en/sustainability/our-targets>
- INCENTIVES (USE OF ECONOMIC REPORTING OF ENVIRONMENTAL EXTERNALITIES) [https://about.puma.com/en/sustainability/environment/measuring_environmental footprint](https://about.puma.com/en/sustainability/environment/measuring_environmental_footprint)
- I highly recommend Parliamentarians look to the TEEB (The Economics of Ecosystems and Biodiversity) framework. TEEB provides a credible and rigorous basis for applying economic costing to externalities of economic activities that are currently ‘invisible’, meaning – they aren’t priced. Adopting circular economy principles can be accelerated by putting prices on ecosystem goods and services and doing full cost accounting of our economic production, including environmental externalities.

TEEB: <http://teebweb.org>

7. *Directed to BOTH: The next section will open the space for parliamentary contribution, before we do so, what is one question that you would like to ask parliamentarians?*

- In my experience, political will is one of the key ingredients for invoking sustainable change in nation states. Do you see the political will for promoting these actions in your countries – what are the opportunities and the barriers?