

44.

ECUADOR PASSES THE FIRST INCLUSIVE CIRCULAR ECONOMY LAW IN LATIN AMERICA

Recyclers have a say in regulations to make them part of urban solid waste collection systems and economic inclusion models that recognize them as drivers of development and decent work.

45.

Between 2018 and 2019, Fundación Avina and Red Nacional de Recicladores de Ecuador (RENAREC), the national recyclers movement in Ecuador, lent their expertise to the drafting of an inclusive recycling bill, with the support of Latitud R. They advocated for access to work, recyclable material, and decent wages, the right to social security benefits, and the recognition of and payment for the service that recyclers provide. In late 2019, a circular economy bill was proposed in the National Assembly, which moved to combine two bills into one, calling it the Ley Orgánica de Economía Circular Inclusiva (General Law on the Inclusive Circular Economy). This was followed by a public comment period, during which Fundación Avina, RENAREC, and other allies actively participated and provided input. In July 2021, the bill was passed into law. It will promote the transition from a linear economy to an inclusive circular economy, and it regulates sustainable production, responsible consumption, and inclusive waste management. It also defines the government's responsibilities within the circular economy and enhances rules for extended producer responsibility. This law recognizes grassroots recyclers, values their essential contributions to circularity, and prioritizes what they do to drive development and create jobs characterized by dignity, equity, and inclusion.

Why does Fundación Avina support this initiative?

Passing this law solidifies the aspirations of thousands of Ecuadorian grassroots recyclers by recognizing, valuing, formalizing, and promoting inclusive recycling as a key component of the circular economy. It establishes institutions, governance structures, and management systems to promote a circular economy and social inclusion in Ecuador.

What did Fundación Avina and its allies do?

Fundación Avina provided strategic advising and input to RENAREC, which is a federation of 54 associations representing 1,500 members who advocate on behalf of over 20,000 Ecuadorian grassroots recyclers, and to the National Assembly committee charged with working out the details of the bill. At the same time, we leveraged resources from Latitud R to hire a legal expert who provided key advising. Fundación Avina also supported training for grassroots recyclers on how the law impacts them and to help spread the word. We built relationships with assembly members, government authorities, and new allies to help them understand the potential of inclusive recycling as a central part of this law.



46.

Impact Achieved

Quality of Life.

The legal recognition and compensation of the work performed by grassroots recyclers is poised to improve their living conditions. They will formally participate in waste management systems, have greater access to recyclable materials, and be able to take advantage of infrastructure, equipment, transportation, training, social security benefits, and credit to improve their working conditions.

Public Policies.

For the first time, Ecuador has a national law that specifically deals with recycling, social inclusion, and the circular economy. It establishes institutions, governance structures (regulation, control, supervision), capacities, and resources that benefit grassroots recyclers.

Networks for Replication, Education, and Learning.

The law includes training programs for grassroots recyclers and a certification process for relevant work competencies.

Markets.

The law will facilitate grassroots recyclers' entry into the materials market, through certification, technical training, and connection with environmental managers that oversee reverse logistics, under the umbrella of extended producer responsibility. Recycler associations will be better prepared to compete in the recycling market.

Changes in the Balance of Power.

The recycling market in Ecuador is dominated by a handful of large industries. This law benefits grassroots recyclers, helping them participate in the value chain by dealing directly with the industry and formalizing business relationships with concrete agreements.

Conservation of Natural Resources.

The circular economy law prioritizes the conservation of natural resources by promoting ecodesign, reuse, and recycling waste, which will reduce demand for raw materials, resource extraction, and transportation that emits greenhouse gases.

47. “

Being part of a historical achievement that makes inclusion and equity a reality in Ecuador is an amazing experience that demands commitment to maintaining and managing change."

Felipe Toledo, Fundación Avina

"This newly passed law means changes are coming for recyclers and their families in Ecuador. We're going to have the same rights as any other worker, access to social security, education, housing, decent work and decent wages. Fundación Avina's support has been very important in helping us achieve this. Thank you so much!"

Juana Iza, President of Red Nacional de Recicladores del Ecuador (RENAREC)

Impact on
Fundación Avina's
Strategic Pillars

**Democratic
Innovation**
**Just and
Regenerative
Economy**

Impact on the Sustainable Development
Goals (SDGs)



48.

Impact in Numbers

20,000

recyclers and their families with improved working conditions and higher incomes

80,000

people directly benefited by goods and services

1.7 million

people indirectly benefited (at least 10% of the population)

Impact on the Components of the Collaborative Process

49.

 <p>Relevance</p>	<p>A general law on the circular economy represents an enormous opportunity to positively impact the linear, exclusionary waste management system and the disposable economy that also perpetuates social inequities.</p>
 <p>Tipping Point</p>	<p>While the law requires public and private waste management systems to formally incorporate grassroots recyclers, secondary regulations and technical rules will be critical for the law's enforcement and transformation of the current economy, with a focus on circularity and inclusion. Recyclers gained visibility and definitively positioned themselves as essential stakeholders in waste management.</p>
 <p>Scalability</p>	<p>The enforcement of the law and its related regulations should impact waste management models and production systems, leading them in the direction of circularity. A national law like this, if duly enforced, can achieve massive impact.</p>
 <p>Collaboration Deficit</p>	<p>There is a collaboration deficit with municipal governments, as they feel their interests have been affected by the new law that recognizes grassroots recyclers. There is a similar situation with the private sector, which has not shown itself amenable to the new rules regarding extended producer responsibility.</p>
 <p>Social Capital</p>	<p>Fundación Avina partnered with RENAREC and its members, inclusive recycling allies like Reci Veci, Fundación Alianza en el Desarrollo, Alianza Basura Cero, Asamtech, and Fundación Circular, assembly members and their staff, technical experts, academics, and legal professionals.</p>
 <p>Unifying Vision</p>	<p>We contributed data, advising, and financial resources to align stakeholders with a vision for including waste management in the circular economy, through meetings, workshops, trainings, and exchanges.</p>
 <p>Shared Action Agendas</p>	<p>The drafting and passing of the law were based on an action agenda shared by several key stakeholders. We built relationships with assembly members, government authorities, and new allies to help them understand the potential of inclusive recycling as a central part of this law.</p>
 <p>Innovation</p>	<p>This is the first law designed to reshape the economy into one that is circular and inclusive.</p>
 <p>Incidence</p>	<p>RENAREC strengthened its capacities and knowledge to be able to lead the advocacy efforts for the drafting and passing of this law.</p>