

“Closing the loop towards a global circular economy requires taking stock of the different capabilities in the Global North and the Global South to recover energy and materials, thereby addressing the challenges that deter worldwide circularity.”

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Image Source: Next to the new “Blok M” MRT station in Jakarta, the street economy and big city real estate live side by side as pandemic restrictions are gradually relaxed (March 2022). How the informal economy and large-scale infrastructure investments can benefit from each other is key to the long-term sustainable development of many cities in emerging markets and a defining feature of the development of the circular economy. Image by Nicolas J.A. Buchoud, all rights reserved ©.





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### Implementation gaps in the enforcement of transboundary extended producer responsibility

A well-established recycling supply chain and robust secondary markets, trading materials such as gold, silver, platinum, palladium, and copper, are key to circularize processes and advance towards a circular economy. These requirements and the necessary manufacturing capabilities are more commonly found in highly developed and industrialized economies. Hence, the Global North would seem more capable of embedding electronic products into a circular economic system. However, global trade means that products are exported to economies at different levels of industrialization and with different capabilities to manage end-of-life (EoL)

products. In most of the Global South, there is a lack of basic facilities to remanufacture, refurbish, repair, and recycle electronic products. Furthermore, the lack of effective collection systems, combined with market forces and trade barriers, hinder the possibility to send EoL electronic products back to manufacturers in the Global North. All these weaken the prospects of a global circular economy.

One way forward is to aid countries in the Global South to develop the necessary capabilities to manage electronic products and e-waste. Another is to enforce the Extended Producer Responsibility (EPR) principle. In fact, EPR is fundamental and an excellent approach to kick-start the circularization of economic processes. The problem is that the EPR principle falls into a structural trap in developing countries, which constraints efforts to bend the linear economy.

This is due to the fact that the EPR is limited by the transboundary movement of materials. An unrestricted compliance with the EPR principle will require manufacturers to take back EoL products from many different countries. Enabling this would involve encouraging consumers to return EoL goods, setting up effective collection systems, and establishing efficient and transparent mechanisms for the responsible transboundary movement of EoL products. In turn, these depend on the existence of secondary markets, which require coherent national policies.

In this light, compliance with the EPR principle will require producers of globally traded products to address three main challenges, which consequently are key areas of action to facilitate the global recovery of materials:

- Working with national and local policy-makers, regulators as well as activists to encourage and facilitate the return of EoL by consumers;
- Working with national and local governments to help establish the necessary facilities to collect and sort EoL products, and the essential secondary markets; and
- Working with national and international stakeholders to enable an effective, transparent, and responsible transboundary movement of EoL. For this, it is key to establish traceability mechanisms that allow for efficient reverse logistics.

Closing the loop to create a global circular economy and eliminating the mismanagement of e-waste, which brings about negative social and environmental impacts in many countries, requires taking stock of the different capabilities within the Global North and the Global South to recover energy and materials. Enforcing the EPR principle requires exporting producers to re-think their international value chains, and to work with local actors and stakeholders to address the challenges that deter progress towards worldwide circularity. Addressing these challenges is undoubtedly a sizable task, but if well executed the global benefits will be worth it.

#### Case Study:

WEEE Circular Innovation Hub, Nairobi, Kenya  
<https://circularinnovationhub.com/>

Supporting entrepreneurs to develop new business models in response to Kenya's 2020 Extended Producer Responsibility regulations.  
<https://www.kepro.co.ke/>

<http://www.environment.go.ke/wp-content/uploads/2020/05/4th-May-EXTENDED-PRODUCER-RESPONSIBILITY-REGULATIONS-2020-1.pdf>