

Technical Assistance Closure Report Template

Objective of the technical assistance (TA) Closure Report:

- To communicate publicly in one document a summary of progress made and lessons learned during the TA towards the anticipated impact (sections 1-4).
- To document qualitative and quantitative data collected during TA, for use in donor and UN reporting (Annex 1).

Steps for completing the TA closure report:

1. The lead TA implementer submits the closure report at the end of the technical assistance as a final deliverable. The TA closure report will capture outputs, outcomes and impacts of all activities conducted under the TA. Please copy and summarise relevant material from previous TA outputs/deliverables and the Response Plan, as relevant.
2. A CTCN Manager will review and revise the closure report before final approval by the CTCN Deputy Director.

Important note on public and internal use of the closure report:

Once approved by the CTCN Deputy Director, the TA closure report will be a public document available on the CTCN website www.ctc-n.org. Selected content will be used for targeted communication activities. Annex 2 is for internal use only and will not be publicly available.

Closure Report for CTCN Technical Assistance

1. Basic information

Title of response plan	Strengthening frameworks towards MSME financing for circular economy projects and initiatives aligned with National Climate Targets in participating countries.
Technical assistance reference number	2022000023
Country/ countries	Chile, Costa Rica, Uruguay, Dominican Republic
NDE focal point and organisation	<p>Chile:</p> <p>Ximena Ruz Espejo Director, Climate Change and Sustainability Agency ximena.ruz@ascc.cl Santiago de Chile, Chile</p> <p>Uruguay:</p> <p>Natalie Pareja National Director of Climate Change (DINACC) Ministry of Environment natalie.pareja@ambiente.gub.uy, nfp.unfccc.uruguay@ambiente.gub.uy Montevideo, Uruguay</p>

	<p>Costa Rica: Iván Delgado Pitti Director, Climate Change Directorate Ministry of Environment and Energy idelgado@minae.go.cr, cambioclimatico@minae.go.cr San José, Costa Rica</p> <p>Dominican Republic: Gabriela Márquez Directora de Mitigación y Adaptación al Cambio Climático Viceministerio de Cambio Climático y Sostenibilidad Dominican Republic Gabriela.marquez@ambiente.gob.do</p>
<p>Proponent focal point and organisation</p>	<p>Ximena Ruz Espejo Director, Climate Change and Sustainability Agency ximena.ruz@ascc.cl Chile</p> <p>Carla Zilli Division Mitigation by Cambio Climatico Ministerio de Ambiente Uruguay carla.zilli@ambiente.gub.uy</p> <p>Adriana Bonilla Direccion Cambio Climatico abonilla@minae.go.cr Costa Rica</p> <p>Gabriela Márquez Directora de Mitigación y Adaptación al Cambio Climático Viceministerio de Cambio Climático y Sostenibilidad Dominican Republic Gabriela.marquez@ambiente.gob.do</p>
<p>Designer of the response plan</p>	<p>UNEP – The Climate Technology Centre and Network (CTCN) UNEPFI - United Nations Environment Programme Finance Initiative</p>
<p>Implementer(s) of technical assistance</p>	<p>BASE UNEP FI</p>
<p>Beneficiaries</p>	<p>Beneficiaries included for Chile, Costa Rica and Uruguay refers to the entities that took part in the Capacity Building Program: Chile: <ul style="list-style-type: none"> ● Libercoop </p>

- Fecrecoop
- Islacoop
- Financoop
- Cooperativa de Ahorro y Crédito Ahorro Maule
- Andescoop
- Savings and Credit Cooperative Mapuche Kume Mogen Ltda
- Coopacsi
- Temucoop
- Itau Bank
- Fondo Esperanza
- Microfinance Foundation BBVA – Spain
- State Bank
- Coonfia
- Coopeuch
- Detacoop
- Scotiabank
- Fundación Avina
- Territorio Circular
- Treasury
- Credit and Investment Bank (BCI)
- Financial Market Commission (CMF)
- Agencia de Sustentabilidad y Cambio Climático (ASCC)

Costa Rica:

- Costa Rica Bank
- National Bank of Costa Rica
- Popular Bank
- BAC Credomatic
- Davivienda Bank
- Lafise Bank
- Promerica Bank
- Financiera Cafsa
- Mutual Group
- Mucap
- Coopealianza
- Coope Ande
- Coopenae

Uruguay:

- National Development Agency
- Banco Santander Uruguay Bank
- Oriental República Oriental bank of Uruguay
- Itaú Uruguay Bank
- ReAcción Uruguay
- Network of sustainable development companies (DERES)
- Central Bank of Uruguay

	<ul style="list-style-type: none"> ● Ministry of Environment (DINACC) ● Economic and Social Development Bank of Uruguay <p>Dominican Republic:</p> <p>Note that the scope of work was limited to the development of the Circular Economy Categorisation System. Beneficiaries include those entities that can use the Categorisation System (note: its application would be facilitated by the implementation of a capacity building program), which took part in the socialisation event:</p> <ul style="list-style-type: none"> ● Climate Change Observatory (INTEC , Instituto Tecnológico de Santo Domingo) ● Association of Multiple Banks of the Dominican Republic (ABA) ● The Directorate of Climate Change, Directorate of Sustainable Production and Consumption, and Directorate of Financial Mechanisms are all internal departments within the Ministry of Environment and Natural Resources (MMARN). ● Development Bank for Microfinance, Fundación Dominicana de Desarrollo (BANFONDESA) ● Popular Bank Group ● Popular Dominican Bank ● FDJ Consulting ● Superintendency of the Securities Market (SIMV) ● Ministry of Industry, Commerce and MSMEs ● RS Engineering and Consulting ● BHD Bank ● New Life for Waste (NUVI) ● Association of Industries of the Dominican Republic (AIRD) ● Popular Association of Savings and Loans (APAP) ● BHD Bank ● DAS Strategy
Sector(s) addressed	Circular Economy is cross-sectoral and broadly encompasses the following CTCN taxonomy categories (not limited to): Industry, Water, Waste Management, Energy efficiency and Renewable Energy, Infrastructure and Urban Planning, Agriculture and Forestry, and Marine and Fisheries.
Technologies supported	To reinforce learning and identify potential investment opportunities in the circular economy, participating financial institutions developed case studies. These case studies applied the Circular Economy Categorization System and other tools covered in the training sessions. It's important to note that the application of these tools was outside the scope of the technical assistance.

	<p>Using the CTCN Taxonomy list (Column C) of technologies as a guide, the following lists (organised by technology) presents some of the case studies developed by the participating institutions in the capacity building program. The information contains the name of the participating entity, the country (in brackets), and the description of the type of technology of focus:</p> <p>Product component and materials recycling:</p> <ul style="list-style-type: none"> ● Fondo Esperanza (Chile): A textile entrepreneurship program led by a community of women, incorporating value recovery and retention strategies. ● Fundación Avina (Chile): A construction material recycling initiative. ● Financoop (Chile): Soap production from used cooking oil. ● Banco Estado (Chile): An initiative focused on plastic waste recycling. ● Coopeuch (Chile): A textile reuse and redesign project. ● Coopetarrazú (Costa Rica): Production of organic fertiliser from coffee pulp. ● Banco Davivienda (Costa Rica): Manufacture and commercialization of glass packaging. ● Santander + Banco Central de Uruguay (Uruguay): packaging and packaging materials. ● BAC Credomatic (Costa Rica): Manufacturing products from material waste. <p>Agriculture:</p> <ul style="list-style-type: none"> ● Coopealianza (Costa Rica): Recovering agricultural residues. ● Itaú (Uruguay): Fertiliser and irrigation system and a biodigester. ● Banco de Costa Rica (BCR) (Costa Rica): Packaging in the dairy sector. <p>Waste Management/ Wood products:</p> <ul style="list-style-type: none"> ● Detacoop (Chile): Sustainable wood processing through. <p>Construction:</p> <ul style="list-style-type: none"> ● MUCAP (Costa Rica): Focused on circular housing. ● ANDE (Uruguay): Technological adaptation Investment in a new plant for recycling construction waste. <p>Wastewater management systems:</p> <ul style="list-style-type: none"> ● Banco Lafise (Chile): A wastewater treatment and reuse project aiming to reduce environmental impact and improve water circularity.
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Implementation start date	December 2023
Implementation end date	July 2025 (total duration: 18 months)
Total budget for implementation	<p>USD 349,490</p> <p>Countries' counterpart (enhanced groups as determined by each CTCN focal point) country provided their time to review the different documents (draft and final versions), and in the case of Chile and Uruguay some members of the counterparts took part in the Capacity Building Program.</p> <p>In addition:</p> <p>Costa Rica:</p> <ul style="list-style-type: none"> ● The bank association provided their time to organise an event to present the project to their members and contributed to prepare and send the invitation for the capacity building program to their members. ● The Insurance National Institute, a collaborator of UNEP FI, provided the venue for the in-person session of the Capacity Building program. <p>Uruguay:</p> <ul style="list-style-type: none"> ● The Ministry of Environment provided the venue and coffee break for the in-person session of the Capacity Building program. <p>Chile:</p> <ul style="list-style-type: none"> ● The Santiago Chamber of Commerce, a collaborator of UNEP FI, provided the venue and coffee break for the in-person session of the Capacity Building program. They also provided the venue and helped to identify and secure the engagement of the two companies that were visited as part of the Capacity Building program. ● The "Asociación Chilena de Cooperativas de Ahorro y Crédito" and COOPERA took an active role in promoting the Capacity Building Program among their members. <p>Dominican Republic:</p> <ul style="list-style-type: none"> ● Helped organise and provided the venue for the socialisation event of the Categorisation System.
Description of delivered outputs and products as well as the activities undertaken to achieve them. In doing so, review the log frame of the original response plan and refer to it as appropriate	<p>The three components (diagnostic, categorization system and capacity program) had specific outputs and deliverables. The detailed work plan identified these. Please note that a detailed overview can be found in the updated impact.</p> <p>An overview of the products are as follows:</p> <ul style="list-style-type: none"> ● Diagnostic documents for (Chile, Uruguay and Costa Rica)

	<ul style="list-style-type: none"> • Circular economy Categorization System document for the financial sector for each country. • Capacity-building plan and training modules validation (all covered in report) for Chile, Costa Rica and Uruguay. • Training through in-person workshops, as well as virtual sessions. • Finalizing Closure report (per country) • Categorisation System in the Dominican Republic presented to a broader audience of stakeholders to serve as an engagement instrument to move the CE agenda forward.
<p>Methodologies applied to produce outputs and products</p>	<p>Diagnostic:</p> <ul style="list-style-type: none"> -A review of secondary information sources was conducted as part of the desk study. - Consultation with stakeholders and semistructured interviews with key players in the circular economy sector, with key outcomes incorporated into the deliverables. - Finalizing materials and producing working documents <p>Categorization system:</p> <ul style="list-style-type: none"> -A review of secondary information sources (reports, websites) was conducted as part of the desk study. - Consultation with stakeholders and semistructured interviews with players and experts in key sectors. - Finalizing materials and producing working documents -it considers the information from each country based on the diagnostic <p>Training program:</p> <ul style="list-style-type: none"> -Design of the methodology of the capacity building program Site visits were conducted to companies implementing circular economy practices. Financial institutions already engaged in circular economy practices were also invited. This approach was adapted using country-specific information and data from the SdC. -Training module documentation (Canvas for education) -Training workshop proceedings, final survey and closing reports. <p>- Official publication: https://www.ctc-n.org/technical-assistance/projects/strengthening-frameworks-towards-msme-financing-circular-economy</p>
<p>Reference to knowledge resources</p>	<p>This consultancy did not use any of the UNFCCC Technology Executive Committee (TEC) knowledge products. It did, however, utilize documentation from both past and ongoing CTCN projects.</p>

	<p>All documentation used for each deliverable is referenced in its respective bibliography of the deliverable.</p>
<p>Deviations</p>	<p>The project was extended until the end of July 2025 for a few relevant reasons:</p> <ul style="list-style-type: none"> • The finalization and endorsement of the diagnostic and categorization system reports took longer than expected due to the incorporation of feedback from multiple layers of stakeholders. While this extended the timeline, it significantly contributed to the overall quality and robustness of the final outputs. • Engaging financial institutions in the Capacity Building program took longer than initially anticipated, as they had not been involved in the project's early design phase. Additionally, many countries were simultaneously in the final stages of developing and publishing their green taxonomies, which influenced the pace of engagement. Despite these challenges, the process laid important groundwork for more meaningful and informed participation moving forward. • External factors, such as governmental transitions, particularly in the Dominican Republic, also influenced the pace of progress. <p>The scope of work in the Dominican Republic was adapted to maximize the impact and efficiency of available resources. Initially focused on developing a diagnosis of the circular economy ecosystem, the work was redirected toward the development of a Categorisation System. This decision followed the publication of a similar diagnostic report under the "Caribe Circular" project, making it more strategic to reallocate efforts. The Categorisation System was built using both the data collected during the initial diagnostic phase and insights from the newly released report. The Categorisation System was subsequently socialised with key stakeholders to foster dialogue and advance the conversation on circular economy financing in the country.</p>
<p>Anticipated follow-up activities and next steps</p>	<p>-In Costa Rica, the Ministry of Environment and Energy of Costa Rica significantly enhanced its engagement with financial institutions following the training on the Categorization System for Circular Economy Financing. The strong participation from these institutions was instrumental, leading to the proactive outreach from the Chamber of Banks, which subsequently joined our Intersectoral Circular Economy Committee: a key stakeholder not previously within our established network.</p> <p>Overall, the Circular Ecosystem Diagnosis and Circular</p>

	<p>Finance Categorization System in Costa Rica lay a strong technical groundwork for the country's progress in developing a circular economy. There is an urgent need for a national Monitoring, Reporting, and Verification (MRV) system with clear indicators. The Categorization System responds directly to these needs by offering tools to identify, classify, and track circular projects through inclusion/exclusion filters, social and environmental standards, and a graduality framework. It also proposes MRV guidelines to support transparency and avoid greenwashing. Initial efforts, like new labs and courses at the National Technical University, show progress but need national scale-up. To ensure long-term sustainability, Costa Rica plans to mobilize climate finance (GCF, GEF), strengthen public-private partnerships, and align fiscal policy and international cooperation with its circular economy goals.</p> <p>-In Uruguay, FIs were trained and now have a tool, a categorization system for CE and Climate Change (CC) projects, that enables them to identify such projects, assess financing opportunities, and build a portfolio for circular economy financing. This will encourage financial institutions in the country to integrate circular financing into their business models. This project will contribute to the Climate Finance Readiness project, funded by the GCF and implemented by UNDP, in coordination with the Ministry of Environment (MA), the Central Bank of Uruguay (BCU), and the Ministry of Economy and Finance (MEF). The readiness project aims to strengthen climate finance capacities, particularly in the financial sector, promote financial mechanisms to fund measures included in the NDCs, and incorporate climate considerations into financial risk analysis. The next step for Uruguay in terms of implementing the Circular Economy strategy was to form working groups. At first the groups (in spanish 'mesas de trabajo') were formed however they will have to start the process again and look for new technical experts due to the change in government; they are expected to return shortly to work on this.</p> <p>-In the case of Chile, the Agencia de Sustentabilidad y Cambio Climatico (ASCC), will define, together with all entities involved throughout the project, next steps. For now, the ASCC with the support of the program Territorio Circular, will try to develop a simple tool for the application of the Categorisation System, to facilitate the adoption of the Categorisation System by financial institutions.</p> <p>-The Dominican Republic plans a national session(s) to implement the Circular Economy, engaging public institutions, private finance, industry, academia, and civil society. This multisectoral dialogue aims to align the Categorisation System with local priorities and legitimize its application. The categorization system holds</p>
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	<p>substantial significance for financial intermediaries and the capital market within the financial ecosystem. It aligns with global sustainable finance trends, enabling financial institutions to integrate ESG (environmental, social, and governance) criteria into their credit portfolios. This initiative can serve as a conduit between public objectives and private actions, effectively directing capital toward the circular economy in a manner consistent with national priorities. Also, financial institutions and associations (e.g. ABA) are interested in building capabilities in circular finance and piloting the application of the categorization system with prioritized IFs and value chains.</p>
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2. Lessons learned

	Lessons learned	Recommendations
General Lesson learned	<p>The components of the project are complementary and have a logic sequence that has potential for replication in other geographies. The circular economy diagnosis allows the adaptation of the categorization system to each country's context, progress and challenges. The categorization system is a key basis for the capacity-building process, and these two components increase buy-in from key stakeholders. The learning-by-doing approach of the capacity building program helped participants apply circular economy concepts directly to real projects with potential for financing. As a result, all three programs were rated highly by participants, receiving scores of over 4.6 out of 5 in terms of quality.</p> <p>This accelerated the learning curve and appropriation of concepts. However, IFs still highlight the need to include decision makers and other areas into the capacity-building process in order to permeate the whole organization and drive greater transformation.</p> <p>Circular finance efforts need to be embraced by leadership and coordinated across teams such as credit, risk, and operations to be successful.</p> <p>During the project, continuous improvement was carried out in terms of categorization systems,</p>	<p>This project has potential for scaling to new geographies (e.g. Mexico, Panama, Ecuador, etc) and also deepening in countries where it has already had impact; both working with new financial institutions, and deepening the support with those that have already participated, especially those that are champions trying to actively promote circular economy as part of their sustainability financing.</p> <p>Institutions need to set up internal governance structures to coordinate circular economy finance across departments. Dedicated teams or committees can help integrate circular thinking into core financial processes.</p> <p>Future training could include more on financial innovation, such as blended finance and performance-based loans, to help institutions manage risk and attract investment</p> <p>In this sense, some financial institutions may be interested in a module 2 of the capacity-building programme in order to deepen the governance for circular economy financing, as well as possibilities for financial innovation and new financial products and instruments. This new training module could combine group sessions with more specific one-on-one technical assistance.</p>

	<p>capacity-building programs and the learning materials, integrating greater interactivity in virtual synchronic sessions, as well as short podcasts to introduce the key topics of each session (taking into account that not all participants are able to review the reading material in detail).</p> <p>The project was successful in integrating different types of IFs (banks, cooperatives, microfinancing, etc), as well as government institutions, consultants and other key supporting stakeholders that manifested interest in supporting the process.</p> <p>A common challenge across most cases was the difficulty in engaging financial institutions. These key stakeholders had not been involved during the project design phase in each country. Since they were central to the project's objectives, it is crucial to involve financial institutions— and/or their representative associations (e.g., banking associations) —early in the process. This early engagement helps to identify the barriers they face, understand their needs, and demonstrate the benefits of their participation. Doing so not only facilitates project implementation but also supports the development of relevant policies.</p>	<p>Some government representatives have also recommended working with key sectors in each country to better understand the financing needs, business models, proven technologies, value chain articulation that can become key inputs to develop more specific financial products.</p> <p>Any future project that aims to further promote circular economy financing should bring FIs and/or their associations as key stakeholders in the design of the project.</p>
<p>Lessons learned for Costa Rica</p>	<p>Starting planning earlier with banks and financial institutions is crucial to accommodate their internal processes. Therefore, engaging with an association already active in sustainability and CE is essential. Given their sustainability branches, Financial Institutions (FIs) were specifically invited through the CR bank association, which served as a key channel to broaden our outreach within these banks.</p> <p>Costa Rican IFs showed particular commitment with the capacity-building program as can be seen by their average attendance (74% on average per session) and by the fact that many IFs involved areas beyond sustainability (e.g. commercial areas, risk, product innovation, etc.). Also, IFs participating in Costa Rica were diverse, including</p>	<p>In Costa Rica, the limited dissemination of CE information made identifying companies engaged in CE practices challenging, especially when compared to the accessibility of climate change solutions. The creation of an ongoing database of circular economy businesses could mitigate this issue.</p> <p>It is difficult to identify the circular economy in business so the marketing and certification is focused on climate change solutions. Awareness raising in all industries of CE is recommended. One possible option would be to integrate CE into climate change certifications (e.g. voluntary Program “Bandera Azul Ecológica”).</p>

	<p>banks, cooperatives and microfinancial institutions. Some of the designed projects included financing to individuals for example for housing with circular and sustainability criteria. Notably, Costa Rica also had the highest rate of participants who accessed the certificate, with 76.5% of attendees completing the requirements, highlighting their strong engagement throughout the process.</p>	<p>Costa Rica is actively implementing CE practices like inter-sectoral production chains, circular public procurement, and financial sector engagement. To enhance these efforts, it is necessary to offer more in-depth technical support for small and medium-sized enterprises and expand pilot programs in public procurement. Measuring success will be crucial via MRV systems.</p>
<p>Lessons learned for Uruguay</p>	<p>Although Uruguay has made important progress in its recent National Strategy for Circular Economy, there is still incipient development of business cases in CE, particularly those that have achieved economic sustainability. However, businesses with interesting potential were identified in the construction sector, as well as textiles and cattle ranching.</p> <p>Attracting financial institutions in Uruguay proved challenging due to the limited number of PRB (Principles for Responsible Banking) signatories. Nevertheless, five financial institutions participated and successfully identified potential circular economy projects for financing.</p> <p>It's vital to raise awareness, particularly in finance and commerce, as they often overlook how existing projects align with circular economy principles. For example, in Uruguay, some companies have long engaged in practices such as repurposing by-products or extending the lifespan of equipment and materials. However, these actions were not previously identified or classified as part of the circular economy.</p> <p>This underscores the critical importance of having a clear taxonomy or classification system, like the SdC, to help recognize, categorize, and ultimately finance these types of activities. By naming and framing them within a circular economy context, it becomes easier for both public and private actors to track their contributions, access funding, and scale their impact.</p>	<p>Awareness raising in all industries of CE is recommended. Particularly, documenting more circular economy business models that are able to reach financial closure and profitability so that the demand for capital in circularity can be enhanced.</p> <p>Continue working on certifications and increase the number of companies that are certified with existing certifications such as the Sello Gestión Sostenible UEU – LATU. New certifications focusing on the Circular Economy are also recommended. ISO standards, specifically ISO 59004 for definitions, and the related family of ISO standards, all of which focus on the Circular Economy are considered. UNIT (Instituto Uruguayo de Normas Técnicas) has translated and validated this group of Circular Economy ISO standards.</p> <p>Prizes such as <i>Uruguay + Circular</i> from the Ministry of Environment, which incentivizes others, which should have been prioritized and continued.</p> <p>Engaging with finance-focused working groups (mesas de finanzas sostenibles) that already exist within the country is crucial for continued financial sector involvement.</p> <p>From a business perspective, enhanced communication and transparent access to financial tools and recommendations are crucial for the numerous large companies involved. This will particularly assist them in discerning between their circular and non-circular activities.</p>

		<p>A directory of opportunities and financial products with favorable terms and conditions, accessible through a link on ministry websites (e.g., MIEM - Ministry of Industry, Energy, and Mining), would be a valuable resource.</p> <p>Early-stage companies inherently carry higher risk due to their unproven business models, limited operating history, and often nascent markets.</p> <p>One effective approach is the strategic use of guarantees. Guarantees can take various forms, such as loan guarantees from government agencies or development banks, or even corporate guarantees from larger, more established partners.</p> <p>Another suggestion is blended finance. The blending of capital streams allows for a more flexible and tailored financing structure that can absorb higher levels of risk than traditional private capital alone. For instance, concessional public funds or philanthropic grants can be used to absorb the first tranche of losses, effectively de-risking the investment for private sector participants.</p>
<p>Lessons learned related to Chile</p>	<p>During the process, Chile had a varied participation of different types of financial institutions, with 4 banks joining the capacity-building process, 14 cooperatives and microfinance organisations, financial regulators and public institutions representatives . This was an important achievement because initially cooperatives who lend to individuals did not see the link between their operations and circular financing. As the learning-by-doing process advanced, many cooperatives identified opportunities to promote circular practices among individuals through their consumption patterns.</p> <p>One key lesson drawn from the process was the importance of adapting the</p>	<p>Although several cooperatives were able to make the link between circular finance and their lending to individuals, others still identified hypothetical cases and were not able to connect directly with their core business. There is an opportunity with Cooperatives and associations to deepen into the potential for CE in consumption credits.</p> <p>Support is needed to develop small project portfolios in key sectors like agriculture, construction, and food systems. These can serve as pilots for building a stronger pipeline of circular finance opportunities.</p>

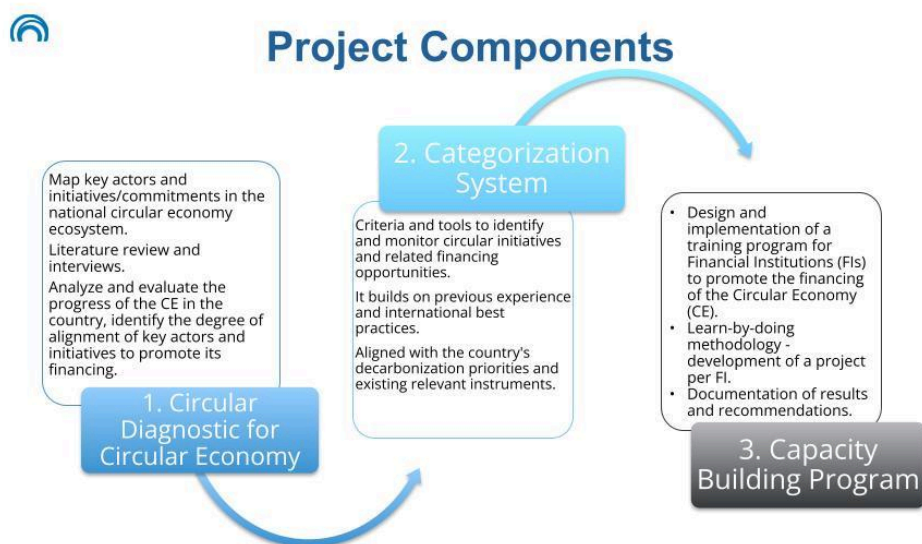
	<p>applied project guide to the specific context of microfinance institutions and cooperatives. Some of the projects developed by these institutions were based on hypothetical cases rather than being directly linked to their operations, highlighting the need to better tailor the guide to their realities and operational capacities.</p> <p>Institutions participating in the program were at different levels of understanding and readiness. Some had already explored circular finance, while others were just beginning. This highlighted the need for adaptable content that fits various contexts, especially for microfinance institutions with more complex project alignment.</p> <p>Learning through practical, real-world cases in Chile and familiar client experiences proved to be highly effective in advancing circular finance. Financing initiatives with clear and manageable risk-return structures enabled financial institutions to build confidence, and extract actionable insights. Collaborating with existing companies already engaged in circular practices, such as those with integrated supplier chains, offered a strategic entry point to test and scale financial tools like the Categorization System and the graduality approach. This approach supported the development of replicable financing models while strengthening technical and commercial capabilities.</p> <p>Such cases help bridge the gap between theory and implementation.</p>	<p>Also, the participation of banks could be expanded to reach new financial institutions that can identify a business opportunity in circular finance, taking into account the significant progress in circular business models in the country (compared to other countries in the region).</p> <p>Lastly, financial institutions should engage more with Chile's existing circular economy ecosystem. Inviting them to participate in national platforms and sectoral roadmaps can align financial strategies with broader goals and accelerate real progress.</p>
<p>Lessons learned related to Dominican Republic</p>	<p>The importance of maintaining flexibility was a key lesson in the Dominican Republic given that initially the key output was the diagnosis of the circular ecosystem, but the team realized there were already previous inputs in this sense and thus proposed moving forward with the categorization system to add greater value and avoid duplicity.</p> <p>The work in the Dominican Republic showed the value of building a shared language around circular economy financing. A key lesson was the</p>	<p>To maximize the impact of the Categorization System, it is recommended to expand awareness and training efforts across financial institutions and regulatory bodies to build capacity for implementation. The financial sector institutions (e.g. ABA) are interested in going forward with the capacity-building process and carrying out pilot projects to apply the categorization system tools to finance the circular economy.</p>

	<p>importance of multisectoral engagement, involving financial institutions, government agencies, the private sector, academia, and civil society, which helped tailor the system to local needs and improve its legitimacy. Another lesson was the relevance of adapting international standards to national contexts to ensure usability and policy alignment. The Categorization System must be integrated into national frameworks, such as the National Climate Finance Strategy and the updated Nationally Determined Contribution (NDC) by 2025, to mobilize climate finance and align with circular economy opportunities.</p>	<p>Moreover, promoting public-private partnerships and engaging international climate and development finance institutions can help scale up funding for circular initiatives aligned with national priorities and the Sustainable Development Goals. Recommendations to scale up circular economy financing in the Dominican Republic include strengthening regulations, institutional and capacity building, MRV, and public awareness. Governmental and regulatory bodies should integrate the SdC into their operational frameworks and policymaking. This involves embedding circular categorization criteria into public investment assessments, formulating financial incentives, and fostering collaboration among vital institutions. Financial institutions and companies should refine their internal procedures to align with SdC criteria. This entails modifying credit analysis, enhancing internal systems for monitoring circular initiatives, and offering technical support to businesses to aid them in crafting viable project proposals.</p>
<p>Lessons learned related to climate technology transfer</p>	<p>For the uptake of technologies or practices that contribute to the transition to the circular economy (CE) by the real sector, financial resources are essential. Through this project, we took important initial steps to enable financial institutions to play a more active role in financing circular economy (CE) initiatives. We focused on building their understanding of what the circular economy entails, how to identify CE projects, the benefits of financing such projects, and how to assess and mitigate associated risks. We also supported their awareness of the long-term risks of continuing to finance the linear economy.</p> <p>While this work laid a strong foundation, it represents only a first step in the right direction toward the eventual development of tailored</p>	<p>Building on the work completed, a key next step for financial institutions in developing circular economy (CE) financial products is to adopt and adapt the tools provided to fit their specific institutional contexts. This could include prioritizing sectors with the highest potential or quick wins, as a way to gain early traction. Additionally, establishing internal governance structures, such as dedicated teams or cross-departmental committees, can support the integration of circular economy principles into core financial processes. Such coordination mechanisms are essential for embedding circular thinking into institutional strategies and decision-making.</p>

	financial products that support the transition to a circular economy.	Regular, updated training is essential to reinforce this process, ensuring that staff remain equipped to apply CE concepts effectively. Additionally, further development of practical tools, potentially enhanced through technologies such as artificial intelligence, could play a key role in simplifying their application, making it easier for financial institutions to adopt and scale circular finance approaches across their operations.
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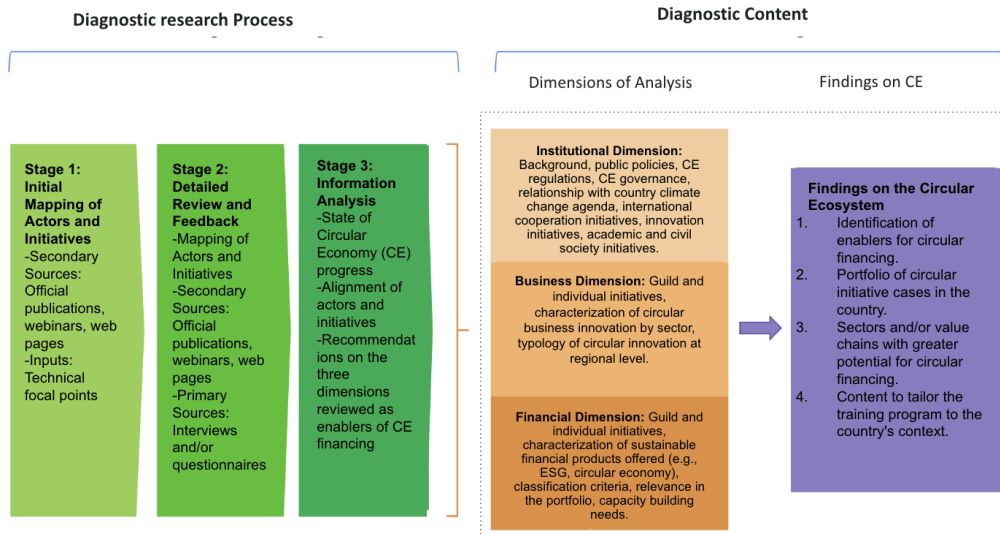
3. Illustration of the TA and photos

The following slides presents a sample of key features of the project. The first slide provides an overview of the project components. The second slide delves into the diagnostic methodology. The diagnostic methodology was implemented in three stages: an initial mapping of actors and initiatives, a detailed review and validation using interviews and surveys, and an analysis of the data to understand the current level of CE progress and identify key enablers. The third outlines the objectives of the categorization system. The Categorisation System report provides criteria and methodologies to identify, evaluate and monitor circular economy initiatives. The final slide details the capacity building program's structure, which was designed to standardize the understanding and language around the circular economy and its potential for differentiated financing, equip participants with the skills to apply the categorisation system tool for identifying and assessing circular economy investment opportunities, and support the development of a pipeline of projects that can be financed under circular economy principles.





Diagnostic Methodology



Objectives of the Categorization System



Establish a harmonized framework of definitions that allows Financial Institutions (FIs) to better understand the circular economy and related investment and financing opportunities.



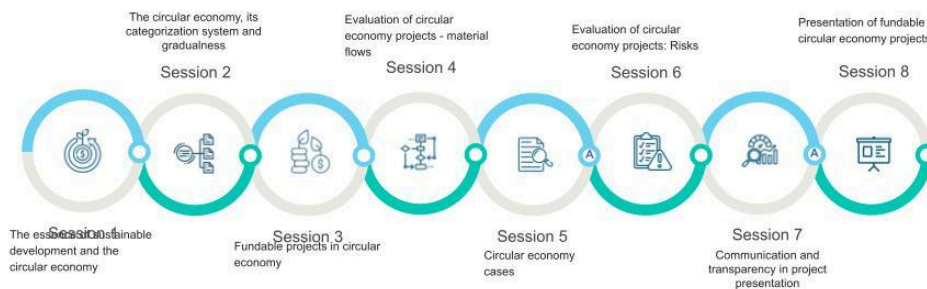
Support the identification of circular economy initiatives developed by companies, allowing Financial Institutions (FIs) to relate more meaningfully with these clients on business models, products, and services, while avoiding "greenwashing."



Provide clarity regarding the gradualness (level of circularity) and complementarity of various innovation models considered in the circular economy.



Training Program Structure



The

photos below are from in-person sessions and site visits conducted as part of the Capacity Building program.



Images: Site visit to Pedregal, San José, Costa Rica



Image: Site visit to RCD Reciclaje, Uruguay



Image: Launch of the capacity building program in Chile



Image: Socialization Event of the Categorisation System event in the Dominican Republic.

4. Impact Statement

The table below outlines the M&E plan, which serves to publicly disseminate the results and expected impacts of this technical assistance.

Impact Statement	
Challenge	While many LAC countries include circular economy in their NDCs, few have aligned strategies and financing tools. Unlocking the financial system's role requires a shared understanding of CE, its opportunities, and how to translate them into bankable initiatives. Early FI engagement, cross-sector collaboration, and supportive policies are key to developing an enabling environment and scaling CE finance across MSMEs and value chains.
CTCN assistance	<ul style="list-style-type: none"> • Supported public and private FIs in Chile, Uruguay, and Costa Rica, and the Dominican Republic to expand investments in circular economy projects, with a focus on MSMEs. • In Chile, Uruguay, and Costa Rica, conducted a CE diagnosis, developed a CE Categorisation System, and delivered a capacity-building program to align understanding and financing practices. • In the Dominican Republic, developed and socialized a CE Categorisation System to foster dialogue and advance CE finance.
Anticipated impact	<p>Visualizing the circular economy and defining "circular" financing opportunities in each country clarified strategies to enable future CE financial instruments. These instruments will support each countries' circularity journey and enhance value chain circularity.</p> <p>Regarding core impact indicators, the circular economy has a significant Core impact indicator 2 (see Annex 1 Technical assistance data collection - Part b for more detailed information):</p> <p>Core impact indicator 2: <i>"Anticipated increased economic, health and well-being, infrastructure and built environment, and ecosystems resilience to climate change impacts as a result of technical assistance"</i>. In detail, CE offers a transformative model that can significantly impact various aspects of a country's development, including:</p> <ol style="list-style-type: none"> 1. Infrastructure and Built Environment <p>Circular economy principles are vital for the infrastructure and built environment sectors, focusing on efficient resource use, waste reduction, and the extended lifespan of materials and buildings. Examples include Costa Rica's focus on circular housing and ANDE (Uruguay)'s investment in a new plant for recycling construction waste. Both initiatives positively impact the built environment by reducing the reliance on virgin materials.</p> 2. Ecosystems and biodiversity <p>Circular economy practices directly contribute to protecting and regenerating natural ecosystems by reducing the extraction of virgin materials, minimising pollution, and fostering regenerative practices. For example, Itaú's (Uruguay) biodigestor and irrigation system transform organic waste into beneficial fertilizer and conserve water, mitigating pollution and preserving vital aquatic and terrestrial ecosystems. Wastewater management systems, such as the Banco Lafise (Chile) project, are also crucial for reducing environmental impact and improving water circularity through treatment and reuse.</p> 3. Economic Health <p>The circular economy is a powerful driver of economic growth, delivering substantial benefits such as considerable financial savings, the emergence of dynamic new business opportunities, significant job creation, and a measurable increase in GDP. Institutions like MUCAP, Coopealianza, Banco Davivienda, Banco de Costa Rica (BCR), Coopeande, and BAC Credomatic are already actively involved in financing the circular economy or spearheading related initiatives, demonstrating its tangible economic potential.</p>

	<p>Economic</p> <p>4. Health and wellbeing</p> <p>CE improves social and human well-being by reducing pollution and addressing social issues linked to poor waste management. It supports a "just transition" by ensuring the move to a circular economy is inclusive, prevents job losses, and creates new opportunities through "upskilling" for vulnerable groups in circular models. For example, Coopealianza's agricultural residue recovery in Chile enhances soil health and lowers the need for harmful chemicals, safeguarding habitats, soil microorganisms, and human health.</p>
<p>Anticipated co-benefits from the TA</p>	<p>Circular economy financing is recognised as a key enabler for decarbonisation, particularly among participants of the Capacity Building program in each country. Developing criteria for identifying CE financing opportunities aligned with the priorities of the country, translated into promoting the financing of activities with high carbon emissions reduction potential.</p> <p>Financial institutions participating in the Capacity Building program have gained a clear understanding of the critical role MSMEs play in value chains—recognizing that a true transition to a circular economy is not possible without them. They also see the business opportunities the circular economy presents, marking an important step toward developing innovative approaches to improve MSMEs' access to finance for this transition. This progress is especially impactful from a gender perspective, given the significant role women play in MSMEs.</p>
<p>Gender aspects of the TA</p>	<p>The technical assistance (TA) placed a strong emphasis on gender aspects, ensuring the integration of a gender perspective across various dimensions of the project. This included understanding how women or women-led organisations played a role in the circular economy ecosystem, and thus how they can play a role in facilitating the development of CE financing products.</p> <p>The Categorisation System for identifying circular activities included a filter on "just transition", where gender played a key role, for both, identifying and mitigating negative impacts or enhancing positive ones. The application of this tool has the potential to promoting financial inclusion for MSMEs by encouraging women's involvement in sustainable businesses and contributing to economic development, as well as climate mitigation and adaptation objectives of the countries.</p> <p>In addition, the Capacity Building Program saw strong participation from women, who are increasingly taking on leading roles in sustainable finance.</p>
<p>Anticipated contribution to NDC</p>	<ul style="list-style-type: none"> ● Circular economy (CE) recognized by FIs as a key enabler for decarbonization ● CE ecosystem understanding provided foundation for financial product strategies ● Strong alignment between FI priorities and national climate goals (e.g., waste management) ● Developed practical tools to identify bankable CE projects
<p>The narrative story</p>	<p>In Chile, Uruguay and Costa Rica, discussions have progressed significantly, marked by advanced strategic dialogues, the formation of working groups focused on financial institutions and aligned roadmaps being developed or underway. These groups, laying the groundwork for financing circular economy practices, will enable the adaptation of the Circular Economy Categorization System for the financial sector to the context of each individual country, which is the focus of part of this technical assistance. The Dominican Republic is also at the forefront of this transformative journey.</p>

	<p>Leading national institutions are keen to integrate circular economy principles into the country's economic and social systems.</p> <p>This initiative enabled these institutions to not only expand their investments but also diversify their portfolios, focusing particularly on projects that were anchored in the principles of the circular economy. This focus was not just on any projects, but specifically on those that supported Micro, Small, and Medium Enterprises (MSMEs), the often-overlooked backbone of many economies. Further, this supported the achievement of the NDCs as circular economy is finally understood as a very relevant instrument to achieve decarbonisation. The initiative equipped public and private banks with tools and expertise through capacity building, fostering methodologies and technical knowledge. This prepared them to develop future CE financial products aligned with national NDC priorities.</p>
Contribution to SDGs	<p>The assistance aids in laying the groundwork for the financing of CE project which have the potential to impact the following SDGs:</p> <p>SDG 3.9 - Good health and well-being: CE projects can substantially reduce the number of deaths and illnesses caused by hazardous chemicals and pollution of air, water and soil.</p> <p>SDG 6.3 & 6.4 - Water and Sanitation: Circular Economy projects enhance water quality by reducing pollution, eliminating dumping, and minimizing chemical release. This will halve untreated wastewater and boost recycling and safe reuse globally. Such projects will also increase water efficiency across sectors, ensure sustainable freshwater supply, address scarcity, and significantly reduce the number of people affected by it.</p> <p>SDG 7.2 & 7.3 - Affordable and Clean Energy: CE can increase the share of renewable energy in the energy mix and improve the energy efficiency rate.</p> <p>SDG 8.4 - Decent Work and Economic Growth: CE can improve the efficient production and consumption of the world's resources. CE promotes sustained, inclusive, and sustainable economic growth, along with full and productive employment and decent work for all.</p> <p>SDG 9.4 - Industry, Innovation and Infrastructure: CE promotes upgrading infrastructure and converting industries to make them sustainable, using resources more efficiently and promoting the adoption of clean and environmentally sound technologies and industrial processes.</p> <p>SDG 12 - Circular Economy promotes sustainable resource management, efficient use, and waste reduction (prevention, reduction, recycling, reuse). It aims to halve global food waste, manage chemicals and waste environmentally soundly to minimize harm, and encourages companies to adopt sustainable practices and reporting.</p> <p>SDG 13 - Climate Action: CE is a key instrument for achieving decarbonisation.</p> <p>SDG 14.2 - Life Below Water: CE promotes the sustainable management and protection of marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and to take measures to restore them in order to re-establish the health and productivity of the oceans.</p> <p>SDG 15.1 - Life on Land: CE promotes the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and the services they provide, in particular forests, wetlands, mountains and drylands</p>

Annex 1 Technical assistance data collection

Please add quantitative and qualitative values for the indicators selected in the M&E plan and monitored throughout the technical assistance in the tables below. Indicators which have been monitored in addition to the proposed indicators below may be added at the end of table A. Non-relevant indicators should be left blank.

A. Output and outcome indicators

Please note that while information has been provided where available, the indicators included in the Monitoring and Evaluation plan do not align with those in this form. Please refer to the Monitoring & Evaluation (M&E) Plan and Impact Statement Form.

Indicator	Quantitative value	Qualitative description
<p>Please note indicators below highlighted as anticipated</p> <p>Total number of events organized by proponents and implementing partners</p>	<p><i>Numerals only; disaggregates must sum to the total</i></p> <p>Chile: 2 Uruguay: 2 Costa Rica: 2 Dominican Republic: 1</p>	<p><i>List the various elements corresponding to the quantitative value as well as timelines and responsible institutions</i></p> <p>General: UNEP FI roundtable (one event) Chile:(2 events) * Presentation of the diagnostic, Categorization System (SdC), and capacity building program results to an expanded group of the counterpart (e.g., ASCC, CORFO, Territorio Circular, Ministry of Finance, etc.).</p> <p>Uruguay: (2 events) Presentation of the diagnostic and Categorization System (SdC) to a group of banks at an event organized by the United Nations System in Uruguay. Additionally, the diagnostic and Categorization System (SdC) results were presented to an expanded group of the counterpart. This expanded group included DINACEA from the Ministry of Environment (the main counterpart is DINACC from the Ministry of Environment), as well as the Ministry of Livestock, Agriculture, and Fisheries (MGAP), the Ministry of Industry, Energy, and Mining (MIEM), and the Ministry of Economy and Finance (MEF).</p> <p>Costa Rica: (2 events) Presentation of the diagnostic, Categorization System (SdC), and capacity building program results to members of the Sustainability Forum of the Association of Banks and Financial Institutions.</p>

		<p>Additionally, presentation of the diagnostic, Categorization System (SdC), and capacity building program results to the Intersectoral CE Committee.</p> <p>Dominican Republic: The socialisation event in the Dominican Republic, held on 2 July 2025, aimed to gather feedback on the proposed Circular Economy Categorisation System. It brought together key stakeholders from government (MMARN), the financial sector (including ABA, BDP, and BHD), academia (INTEC), international cooperation (UNEP), and private sector actors, fostering dialogue on the system's relevance and applicability.</p>
Number of participants in events organized by proponents and implementing partners	<p>CR: 44 UR: 30 Chile: 55 RD: 27</p>	<p>CR: 44 individuals from 13 different financial institutions. CR passed: 76.5%</p> <p>UR: 30 active participants, though 34 registered in total and from 9 different institutions. UR passed: 63.3%</p> <p>Chile: Out of 82 total registered participants, only those who attended at least one class are considered active. Chile passed: 72,73%</p>
a) Number of men	<p>CR M: 24 UR M: 8 Chile M: 31 RD: 7</p>	
b) Number of women	<p>CR W: 20 UR W: 22 Chile W: 24 RD: 20</p>	
Number of climate technology RD&D related events	N/A	
Number of participants in climate technology RD&D events	N/A	
a) Number of men	N/A	
b) Number of women	N/A	

<p>Number of training organized by proponents and implementing partners</p>	<p>CR: 8 UR: 8 Chile: 8</p>	<p>Chile:</p> <ul style="list-style-type: none"> • Course Dates: The program in Chile ran from 22 April to 12 June 2025. • Site Visit Details: <ul style="list-style-type: none"> ◦ The site visit took place during the fifth session of the course. ◦ Locations: Participants were divided into two groups to visit AZA Aceros and Comberplast, both located in the city of Santiago. <ul style="list-style-type: none"> ▪ AZA Aceros is a Chilean company producing recycled steel from ferrous scrap. ▪ Comberplast specialises in recycled plastic products under a circular model. <p>Costa Rica:</p> <ul style="list-style-type: none"> • Course Dates: The program in Costa Rica was held between 16 October and 11 December 2024. • Site Visit Details: <ul style="list-style-type: none"> ◦ The site visit occurred during the fifth session of the course. ◦ Location: Participants visited the company Pedregal, located in the city of San José. <p>Pedregal transforms non-valorizable plastic waste into raw material for construction.</p> <p>Uruguay:</p> <ul style="list-style-type: none"> • Course Dates: The program in Uruguay ran from 13 March to 22 May 2025. • Site Visit Details: <ul style="list-style-type: none"> ◦ The site visit took place during the fifth session of the course. ◦ Location: Participants visited the company RCD Reciclaje, located in the city of Montevideo. This company specializes in the valorization of construction and demolition waste (RCD), transforming it into new materials for reintroduction into the productive cycle.
<p>Number of participants in trainings organized by proponents and implementing partners</p>	<p>CR: 44 UR: 30 CR: 44 Chile: 55</p>	

a) Number of men	CR M: 24 UR M: 8 Chile M: 31	
b) Number of women	CR W: 20 UR W: 22 Chile W: 24	
Total number of institutions trained	CR: 13 UR: 9 Chile: 19	
a) Governmental (national or subnational)	CR: 2 UR: 4 Chile: 4	
b) Private sector (bank, corporation, etc.)	CR: 11 UR: 3 Chile: 15	
c) Nongovernmental (NGO, University, etc.)	CR: 0 UR: 2 Chile: 0	
Percentage of participants reporting satisfaction with CTCN training (from CTCN training feedback form)	CR: 92% UR: 92% Chile: 94.2%	CR: The evaluation showed a high level of satisfaction, with participants giving an average score of 4.6 out of 5.0 for aspects such as content, support, and overall quality. Note that 19 responses were received. UR: The evaluation revealed an average rating of 4.6 out of 5.0 in aspects such as material, support, and quality, according to participants who completed the survey. Chile: Participants who completed the survey gave it an average rating of 4.71 out of 5.0 for materials, support, and quality.
Percentage of participants reporting increased knowledge, capacity and/or understanding as a result of CTCN training (from CTCN training feedback form)	CR: 90% UR: 90% Chile: 93.2%	CR: The program received an average score of 4.5 out of 5.0 regarding its usefulness and effectiveness in helping participants meet the intended objectives. These results clearly indicate strong satisfaction and impactful learning outcomes. UR: Regarding the usefulness and effectiveness of the program in achieving the established

		<p>objectives, the average rating was 4.5 out of 5.0.</p> <p>Chile: The program's usefulness and effectiveness in achieving its goals also scored well, with an average rating of 4.66 out of 5.0.</p>
a) Percentage of men	N/A	
b) Percentage of women	N/A	
Total number of deliverables produced during the assistance (excluding mission, progress and internal reports)	<p>CR: 10 UR: 10 Chile: 10</p>	<p>For Chile, Costa Rica, and Uruguay a diagnostic document was developed. For Chile, Costa Rica, Uruguay, and the Dominican Republic, the deliverables included the categorization system (as core technical documents).</p> <p>Additionally, a substantial amount of other information materials was developed outside of the specific deliverable list. This primarily supported the eight-session capacity building program delivered in each country. For every session, session materials comprising readings and presentations were provided. Additionally, self-assessments were created to help participants gauge their understanding, and comprehensive preparation and in-depth materials, including various readings and videos/podcast, were supplied. The main deliverable(s) was a comprehensive "Reporte de cierre del programa" also served as a final communication document for Chile, Uruguay and Dominican Republic.</p>
a) Number of communication materials, including news releases, newsletters, articles, presentations, social media postings, etc.	CR: 0	
b) Number of tools and technical documents strengthened, revised or developed	<p>CR: 2 UR: 2 Chile: 2 DR: 1</p>	
c) Number of other information materials strengthened, revised or created (For example training and workshop reports, Power Points, exercise docs etc.)	<p>CR: 8 UR: 8 Chile: 2</p>	

Total number of policies, strategies, plans, laws, agreements or regulations supported by the assistance	<i>List total number here</i>	
a) Adaptation related	0	
b) Mitigation related	0	
c) Both adaptation- and mitigation related	0	
Anticipated number of policies, strategies, plans, laws, agreements or regulations proposed, adopted or implemented as a result of the TA	0	For this point, 'zero' is indicated because influencing this outcome was not the project's focus. Therefore, any such occurrence during the consultancy period cannot be attributed to the project's efforts.
a) Adaptation related	0	
b) Mitigation related	0	
c) Both adaptation- and mitigation related	0	
Anticipated number of technologies transferred or deployed as a result of CTCN support	0	For this point, 'zero' is indicated because however it's important to clarify that the technical assistance (TA) did serve to take the initial steps in promoting the involvement of Financial Institutions (FIs) in financing the Circular Economy (CE). Therefore, it contributes to strengthening the ecosystem's capacity to enable businesses to adopt circular technologies and practices.
Anticipated number of collaborations facilitated or enabled as a result of technical assistance	<i>List total number here</i>	
a) Number of South-South collaborations	0	
b) Number of RD&D collaborations	0	
c) Number of private sector collaborations	0	
Number of countries with strengthened National System of Innovation as a result of CTCN support	4	

STATEMENTS

B. Core impact indicators

Please fill in the tables for anticipated impacts of the CTCN assistance. Every technical assistance should contribute to at least one of the indicators below. For guidance on how to report on core indicators see the ['M&E Guidance Document for TA Implementers'](#).

Core indicator 1	<p>Anticipated metric tons of CO₂ equivalent (CO₂e) emissions reduced or avoided as a result of CTCN TA</p> <p><i>Please add your calculations in word or excel format as an Annex to this Closure Report, where applicable.</i></p>
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	Anticipated metric tons of CO ₂ e reduced or avoided as a result of the TA on annual basis	Anticipated metric tons of CO ₂ e reduced or avoided as a result of the TA in total
Quantitative value <i>(emissions reductions)</i>	N/A	N/A
Unit		
GHG assessment boundary (project emissions) Identify expected post-TA activities, associated effects and assess boundary for quantification of GHG emission reductions		
Baseline emissions Describe baseline scenario, baseline candidates, emission factors and emissions calculated		
Methodology Explain the method or process of verifying the indicator and how data was gathered		
Assumptions Describe assumptions made during calculation and quantification of GHG reductions		

Core indicator 2	Anticipated increased economic, health, well-being, infrastructure and built environment, and ecosystems resilience to climate change impacts as a result of technical assistance <i>Please provide a qualitative description of the anticipated impacts on the categories below</i>
Infrastructure and built environment Anticipated increased infrastructure resilience (avoided/mitigated climate induced damages and strengthened physical assets)	Integrating circular economy principles in infrastructure and the built environment aims to reduce waste, extend material lifecycles, and regenerate natural systems. This involves: <ul style="list-style-type: none"> ● Circular Design: Using materials that promote longevity, adaptability, and recyclability (e.g., adhering to certifications like EDGE or LEED). ● Waste Valorisation: Treating and reusing Construction and Demolition Waste (RCDs) to create new products, turning waste into a valuable resource. ● Resource Efficiency: Minimizing waste generation during construction and deconstruction, often through modular designs that enable future reuse.

	<ul style="list-style-type: none"> ● Digitalisation: Employing tools like material passports to track and manage materials for reuse or resale, boosting transparency and efficiency. ● New Business Models: Fostering services in material recovery, remanufacturing, and recycling. <p>Financial institutions are vital, funding activities across these strategies, from circular design companies to material recovery plants and digital platforms. Their financing decisions also influence how investments are categorized. For example, in Uruguay, ANDE proposed financing a new plant for construction waste recycling, directly supporting RCD valorisation. Another example is fundación Avina (Chile) also working on a construction material recycling initiative.</p>
<p>Ecosystems and biodiversity Anticipated increased ecosystem resilience (areas with increased resistance to climate-induced disturbances and with improved recovery rates)</p>	<p>CE strategies, as promoted under the technical assistance, directly mitigate pressure on natural ecosystems by championing reuse, recycling, and the elimination of hazardous waste, thereby strengthening biodiversity and ecosystem resilience. Through targeted interventions in sectors like solid waste, water, and land use, and by enhancing overall resource efficiency, CE activities actively reduce pollution and foster the restoration of degraded ecosystems. The classification system includes "just transition" filters and environmental safeguards to prevent ecological harm and promote habitat recovery. As Circular Economy practices are adopted, sustainable material use and improved waste management are expected to enhance ecological balance and climate resilience.</p> <p>For example Itaú (Uruguay)'s project, which involves a fertiliser and irrigation system alongside a biodigester, serves as an example of how circular economy principles can significantly benefit biodiversity and ecosystem. This initiative aligns directly with the CE's biological cycle, where biodegradable materials are returned to nature to regenerate natural systems.</p>
<p>Economic Anticipated increased economic resilience (e.g. less reliance on vulnerable economic sectors or diversification of livelihood)</p>	<p>The concept of economic resilience, defined as reduced reliance on vulnerable economic sectors or diversification of livelihood, is intrinsically linked to the circular economy. The CE offers a transformative model that fundamentally shifts economic practices from a linear "take-make-dispose" approach to one that designs out waste and pollution, keeps products and materials in use, and regenerates natural systems.</p> <p>The Fondo Esperanza program in Chile exemplifies enhanced economic resilience by fostering a textile entrepreneurship initiative led by women. This program diversifies livelihoods by creating new income streams within the community, moving beyond reliance on potentially vulnerable traditional sectors. Furthermore, its focus on value recovery and retention strategies, such as using existing materials, builds a more robust business model less susceptible to external economic shocks like fluctuating raw material prices.</p>

<p>Health and wellbeing</p> <p>Anticipated increased health and wellbeing of target group (e.g. improved basic health, water and food security)</p>	<p>CE directly enhances health and wellbeing by eliminating waste and pollution, thereby improving environmental quality, reducing health risks, and promoting cleaner air and water. It boosts water security through efficient use and ecosystem restoration, and strengthens food security by minimizing food waste and regenerating soil for sustainable food systems.</p> <p>As an example, the Banco Lafise project in Chile exemplifies how the circular economy boosts health and well-being through wastewater treatment and reuse. By cleaning water, it directly reduces waterborne diseases and enhances public health, while also improving water availability crucial for hygiene and food security. This circular approach minimizes environmental pollution, fostering healthier ecosystems that further support human well-being.</p>
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Core indicator 3	Anticipated number of direct and indirect beneficiaries as a result of the TA	
	Quantitative value	Means of verification
Total beneficiaries	<i>Total number</i>	
Number of adaptation beneficiaries		
Number of mitigation beneficiaries		
Number of adaptation-and mitigation beneficiaries		

Core indicator 4	Anticipated amount of funding/investment leveraged (USD) as a result of TA (disaggregated by public, private, national, and international sources, as well as between anticipated/confirmed funding)			
	Quantitative value confirmed in USD	Quantitative value anticipated in USD	Qualitative description <i>List the institutions, timelines, and description or title of the investment</i>	Methods <i>Describe methods used for quantification of funds leveraged</i>
Total funding				
Anticipated amount of public funding mobilised from national/domestic sources				
Anticipated amount of public funding mobilised from international/regional sources				

Anticipated amount of private funding mobilised from national/domestic sources				
Anticipated amount of private funds mobilised from international/regional sources				

Annex 2 (for internal use – to be filled in by the CTCN)

CTCN evaluation

This section will be completed by the relevant CTCN Technology Manager.

- Evaluation of the timeliness of the TA implementation as measured against the timeline included in the response plan;
- Evaluation of TA quality as defined in the response plan;
- Overall performance of the Implementers;
- Overall engagement of the NDE and Proponent;
- Lessons learned on the CTCN process and steps taken by the CTCN to improve.