

Circular Value Chains through Systemic Intervention

ProCircular

Context

Peru is beginning to shift from a linear economic model — based on extraction, production, and disposal — towards a circular economy that aims to make better use of resources, reduce waste and generate sustainable value. However, this transition is still at an early stage and faces significant challenges, particularly among micro, small and medium-sized enterprises (MSMEs), which form the country's productive backbone.

In recent years, the country has taken important steps. The Ministry of Environment has launched a National Roadmap for Circular Economy until 2030, while the Ministry of Production has made notable progress with its first sectoral roadmap (2020–2025) and is already working on a second, more ambitious one. These initiatives reflect a growing commitment but also highlight the need of capacity building and active cooperation in order to move from planning to effective implementation.

PorCircular builds on this foundation with a clear objective: to scale up circular solutions using a territorial and multi-sectoral approach, strengthening the capacities of MSMEs and fostering coordination among actors across each value chain. From a systemic perspective, it aims to address gaps at all stages of the production cycle — from raw materials over production and marketing to waste management — by activating strategic partnerships and recognising the key role of women in this productive transformation.

In short, PorCircular aims to accelerate a much-needed shift: to turn circularity into a competitive and social advantage for Peru.

Title	Circular economy for a climate-friendly urban development II (ProCircular)
Country	Peru
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Peruvian Ministry of Production (PRODUCE)
Overall term	2025 to 2027

Objective

The Peruvian government strengthens a climate- and resource-friendly circular economy within manufacturing companies and domestic trade enterprises, through systemic interventions that modernise value chains and improve the conditions for their consolidation.

Approach

The project advises the Ministry of Production on developing circular value chains to speed up the industry's transition to a circular economy, thereby contributing to the reduction in the use of resources and raw materials in businesses.

It develops and implements business and financing models that apply circular value chains in anchor companies and across their supply chains.

In addition, the project promotes knowledge partnerships on circular economy — particularly with German companies — and



The project works with the value chains of companies from the manufacturing and domestic trade sectors



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fosters close cooperation between businesses along the entire value chain. In doing so, it facilitates the exchange of know-how and circular best practices.

To achieve this, ProCircular is structured around three strategic components:

1. Strengthening the institutional framework and cross-sector coordination to support the adoption of circular value chains
2. Promoting circular business and financing models, applied within prioritised value chains with high transformation potential
3. Scaling up best practices, with a focus on women's specific needs to ensure a just and inclusive transition

Expected results

a. Enabling conditions for circular value chains with a systemic approach:

- 06 multi-stakeholder platforms at national and regional levels promote circular value chains through a systemic approach
- 15 standards and technical documents published

b. Business models and financing mechanisms for circular value chains with a systemic approach:

- 10 studies to identify opportunities for integrating the circular economy into value chains
- 07 manufacturing and domestic trade companies and their suppliers launched circular economy business models with a systemic approach
- 04 manufacturing and domestic trade companies and their suppliers have achieved 20% resource savings through the implementation of circular economy business models with a systemic approach

c. Dissemination and transfer of best practices:

2. **20 knowledge partnerships** between institutions and/or companies
- 02 new regions and 150 entrepreneurs' profit from the exchange and shared lessons

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