

► A circular economy that works for everyone: Ensuring a just and jobs-rich transition to a sustainable future for all

Background

On 1st June the ILO, Solutions for Youth Employment (S4YE) at the World Bank and Circle Economy held a joint event, *A circular economy that works for everyone: Ensuring a just and jobs-rich transition to a sustainable future for all*, at the [World Circular Economy Forum](#) in Helsinki. Participants explored how the decent work and circular economy agendas can be brought together to create a just transition that works for both people and planet. This event follows the recent launch of a new report, [Decent Work in the Circular Economy: An overview of the existing evidence base](#), which represents the first output of the [‘Jobs in the Circular Economy’](#) initiative. A recording of the event is available to view [here](#).

Opening

Introductory remarks were given by Casper Edmonds, Head of Unit, Extractives Energy and Manufacturing, ILO. Casper emphasised the importance of ensuring a human-centred approach to the circular economy. He outlined how the transition to a circular economy has the potential to create an additional 6 to 7 million jobs globally, but that this can only be achieved with better tools and data.

The keynote speech was provided by Namita Datta, Program Manager, Solutions for Youth Employment (S4YE), World Bank. Namita observed that circular economy policies, interventions and indicators are often developed in isolation, and with limited consideration of their impact on people and their livelihoods. Issues such as job creation and skills should be embedded ex-ante in policies. In this way, policymakers can reap both environmental and social dividends when it comes to the circular economy.

Esther Goodwin Brown, Circular Jobs Initiative Lead, Circular Economy, presented findings from the *Decent Work in the Circular Economy* report. Esther noted the scarcity of publications which address decent work in the circular economy and the strong Global North bias in existing literature. She highlighted that the report sets out a call for action across three areas: the development of more granular evidence of decent work in the circular economy, the promotion of global and social justice-led policy, and the creation of joint advocacy and data partnerships.

Panel Discussion

The event moved to a panel discussion where experts from industry, government and civil society provided insight into the circular economy in practice. Eero Jalava, Leading Specialist in the European Green Deal, Sitra, stated that while there has been qualitative research on skills needs in the circular economy in Finland, there is not yet complementary quantitative data. The availability of such data would assist the re- and up-skilling of workers. He added that policymakers are unsure of the impact the transition to a circular economy will have on the job market.

Margaret Kamau, Principal Climate Change and Green Growth Officer, The African Development Bank (AfDB), called attention to initiatives such as the African Circular Economy Alliance and the Africa Circular Economy Facility, which bring together countries to support and finance the circular economy. Closer to the ground, the AfDB has launched the Africa Adaption and Acceleration Programme to fund innovative

businesses which address sustainability. The AfDB also works with banks to ensure that green and circular SMEs, for which banks may be unable to quantify risk, have access to financing.

Solomon Noi, Director of Waste Management for Accra, described the pressure that city authorities in Accra have faced to reduce waste. Following the closure of the last remaining waste disposal site in the city, local government turned to the circular economy model to address their lack of capacity. They developed the Accra Climate Action Plan which noted that poor waste management contributed to 44% of the city's greenhouse emissions and set an objective of directing 50% or more of municipal solid waste from landfills. Policymakers soon realised the importance of informal waste pickers to achieving their aims and integrated them into their plans. They assisted waste pickers in forming cooperatives and worked with them and other stakeholders to promote separation at source.

Janne Peljo, Chief Policy Adviser, Confederation of Finnish Industries, stated that there is strong awareness of the need to tackle climate change, but that it is difficult to translate this awareness into everyday terms. One barrier to progress is the sheer scale of the transformation needed to adopt circular systems. Businesses may find it difficult to move beyond current practices in such a short period of time. Nonetheless, they will play an important role in encouraging innovation and automation in the circular economy, particularly as the labour force shrinks.

Q&A Session

Following the panel discussion, a Q&A session was held where questions from attendees were put to the panellists. Margaret Kamau was asked to outline the practical tools and strategies investors can use to mitigate the risk of creating poor quality jobs in waste management and recycling projects in developing countries. She replied that while the solution will always be context-specific, there are some general principles that can be applied. Investors should assess projects in terms of their ability to enable mitigation and adaption. Contribution to increasing youth employment should be another key metric. Skills development should also be considered, along with the potential of a project to improve incomes in a target community.

The panellists were asked what issues they see when it comes to data. Janne Peljo stated that companies most often complain about the fact that there is no data on raw materials which, in turn, clouds transparency along the value chain. Solomon Noi added that there is a need for countries to disclose data relating to textile waste in order to help reform extended producer responsibility. Margaret Kamau pointed to the importance of feedback on user experience when designing circular systems. The availability of such data could help increase adoption among businesses and consumers. Eero Jalava expressed his desire to see better data in relation to the number of circular jobs, the quality of these jobs, and the level of education required by workers at sectoral level.

Solomon Noi further discussed his work in incorporating the informal economy into Accra's waste management system. He explained that Accra's plans are based on those of the city authority in Pune where trolleys and receptacles were procured for waste pickers and training was provided on the separation of materials at source. Waste pickers are also able to sell this material to a middleman at a set price per kilo. In Accra, the city authority has planned for a two-year period of stakeholder engagement to teach source separation.

Margaret Kamau elaborated on the provision of finance for green enterprises. She described how the availability of additional financial instruments – including partial risk guarantees and partial credit guarantees – can de-risk projects. The AfDB also issues bridge funding for those businesses which may not yet be suitable for bank financing but can contribute to environmental and social goals.