







Table of contents

Abbreviations and acronyms	3
Key concepts and definitions	4
Methodology note 6	
Executive Summary 7	

Section 1: Context and Trend Analysis on Gender and Circularity 8

- 1.1 Rationale for the guide 8
 - 1.1.1 Who should read the guide? 8
 - 1.1.2 Why circularity matters to Latin America and the Caribbean 8
 - 1.1.3 Gender inclusion benefits circular businesses and economies 9
 - 1.1.4 Circularity is an opportunity for women's economic empowerment 10
 - 1.1.5 The risks of failing to adopt a gender lens 11
- 1.2 Technical landscape 12
 - 1.2.1 The current discourse around circularity in LAC 12
 - 1.2.2 Sectoral shifts toward circularity 14
 - 1.2.3 Multi-stakeholder collaboration to facilitate circular systems change 18
 - 1.2.4 Labor market shifts in relation to circular businesses in LAC 22
- 1.3 Approach to Gender Equity and Inclusion in Circularity 25
 - 1.3.1 Applying a gender lens 25
 - 1.3.2 Challenges and opportunities of integrating a gender lens in the circular economy 25
 - 1.3.3 An ecosystem approach to gender equity in circularity 26

Section 2: Practical, locally-relevant guide for companies in LAC 27

Introduction 27

- 2.1 Mapping the investment context and the people most affected by your business model 28
 - 2.1.1 Map gender and circularity in local economic context 29
 - 2.1.2 Map circular business model 29
 - 2.1.3 Map gender representation across domains of the company. Identify where women concentrate and are underrepresented, and assess where they may face risk and present opportunity 29
- 2.2 Consideration A: Support women as employees and contractors in circular businesses 30
 - 2.2.1 Develop and implement equitable recruitment strategies to attract high-quality, diverse candidates 30
 - 2.2.2 Commit to workplace policies that protect and support women employees 31
 - 2.2.3 Support women employees to advance into new roles 32
- 2.3 Consideration B: Promote gender-responsive procurement practices 34
 - 2.3.1 Prioritize women-led and gender-equitable vendors 35
 - 2.3.2 Improve gender-equity in internal practices 36
 - 2.3.3 Promote gender action with supply chain partners 37
- 2.4 Consideration C: Promote gender equity through design 39
 - 2.4.1 Design by and for women 39
- 2.5 Consideration D: Promote gender-responsive financing models 42
 - 2.5.1 Establish and adopt gender criteria for investing in circular businesses 42
 - 2.5.2 Tailor financial products for women entrepreneurs 43
 - 2.5.3 Incentivize gender action among businesses 44

Conclusion 45

Abbreviations and Acronyms

DEI Diversity, equity and inclusion.

ESG Environmental, social and governance. Typically refers to a set of considerations for business operations and investing in a company.

GBVH Gender-based violence and harassment.

LAC Latin America and the Caribbean.

LGBTQIA+ Lesbian, gay, bisexual, transgender, queer, intersex and asexual, as well as their allies. Refers to people with these aspects of their sexual orientation and gender identity.

GRP Gender-responsive procurement.

STEM Science, technology, engineering and mathematics.

VSLA Village savings and loan association.

WSME Women-owned/led small and medium enterprise.



Key concepts and definitions

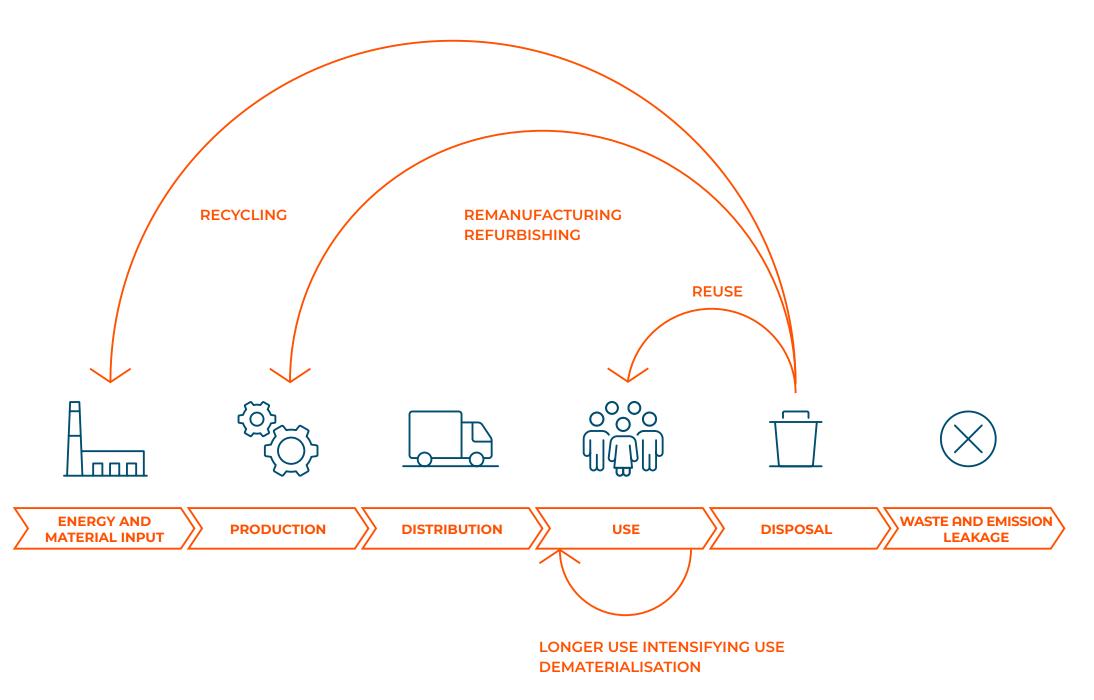
What is the current linear economic system?

In a linear economy, materials are extracted, made into goods, and disposed of at the end of their useful life. This is often called the take-make-dispose economy.

What is the circular economy / what are circular practices and business models?

In a circular economy, products, materials, and resources cycle through many uses, minimizing waste. A circular economy is based on three principles, driven by design: eliminating waste and pollution, circulating products and materials (at their highest value), and regenerating nature.

Circular business model



What is diversity?

Diversity is the representation of a variety of identities, perspectives, and experiences within a group, society, or organization. Embracing diversity means valuing, respecting, and celebrating those differences and recognizing the unique strengths and contributions that individuals from different backgrounds bring to the table.

The IDBG is committed to equal access to opportunities for Diverse populations across Latin America and the Caribbean (LAC). We focus on four diverse groups that face discrimination based on their collective identity: (i) Indigenous Peoples (IP) (ii) Afro-descendants (AD); (iii) persons with disabilities (PWD); and (iv) people who identify as lesbian, gay, bisexual, transgender/transexual + other diverse gender identities and sexual orientations (LGBTQ+)¹.

In LAC, these groups warrant particular attention and intentional inclusion, as they have traditionally been marginalized and underrepresented in business and leadership. This guide's primary focus is on engaging and supporting women in the circular economy landscape. However, many aspects equally apply to the deliberate inclusion of individuals of all genders and backgrounds, and we acknowledge the critical importance of considering the complex intersection of various social factors.

What is intersectionality?

Intersectionality is the interplay between multiple aspects of social identity. It recognizes how different identities—such as race, gender, class, sexuality, and ability—intersect and overlap to create unique experiences of privilege and discrimination for individuals in multiple groups.

How are we defining gender intentionality?

We use "gender intentionality" to describe the systematic inclusion of women in all activities. Here, it refers to considering and dismantling the barriers women face in employment—from accessing and leveraging opportunities to enter the workforce to advancing and thriving in the workplace.

What is gender lens investing? 2

Gender Lens Investing seeks to intentionally and measurably address gender disparities and/ or examine gender dynamics to better inform investment decisions. To capture returns from gender lens investing, investors may aim to apply gender analysis and action in business modeling and strategic decision-making and build capacity, policies, programs, and practices to help investee companies carry out gender equity action plans. The objective of gender lens investing is to bridge gender and finance, a necessary rebalancing and an enormous business opportunity due to the gender dividend. Gender lens investing represents an opportunity to change finance systems and make them work to advance of gender equity and women's empowerment.

Gender lens investing includes investment strategies in private markets (private debt, private equity, seed/angel, and venture capital) as well as within public markets (public equities, fixed income). There are different ways that investors can support gender finance:

- Investing in women's access to capital.
- Investing in women-led businesses and companies with strong women's leadership from the board to senior management.
- Investing in companies with workplace gender equity, including a gender balance across employment and gender-positive policies and practices.
- Investing in companies with products and services that specifically address the needs of women and girls.
- Investing in companies that promote gender equity in supply chains.

Inter-American Development Bank Group's first Gender and Diversity Action Plan 2022-2025 (GDAP)

² See also Buckland, L. et al., 2019. Gender Lens Investing: how finance can accelerate gender equality in Latin America and the Caribbean. IDB Invest. Accessed <u>here</u>.

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What is a "just transition" to circularity?

Just transition aims at ensuring that no one is left behind in the transition to low-carbon and environmentally sustainable economies and societies.

In a just transition to a circular economy, as companies adopt circular models and processes, they intentionally address, reduce, or mitigate any potential unintended negative consequences. At the same time, they seek to increase positive impact for people—particularly those at the base of the socioeconomic pyramid and other vulnerable populations across operations and value chains—and ensure benefits and any associated costs of a circular transition are distributed equitably.

Why is the just transition relevant in a gender-conscious circular economy?

Gender inclusion in a just transition to circularity benefits businesses, economies, and women in the value chain. Women both act as drivers of the transition to circular practices and business models and stand to gain new opportunities. Thus, efforts to improve gender equity in circular value chains and those to drive sustainability through circularity are mutually reinforcing.

What are the differences and overlaps between sustainability, green economy, and circular economy?

While sustainability, green economy, and circular economy overlap in some ways, they are distinct.

From a business perspective, sustainability refers to going beyond compliance or doing no harm to improve positive impact on people, environment, and economies in a holistic approach.

A green economy refers to a low-carbon, resource-efficient, and resilient economy; its main objective is to support environmental sustainability ³. It may be inclusive and have a positive impact on the well-being of people—and to some extent, including a social lens helps sustain environmental good—but inclusion is not necessarily its core focus.

And by diverging from the linear take-make-waste economic model, a circular economy achieves sustainability and contributes to the green economy by reducing resource extraction and reimagining the circulation of goods and services.

Methodology note

This Guide was developed based on desk research and guided qualitative interviews carried out between November 2023 and February 2024 with various stakeholders. Interviewees included sustainability practitioners from medium and large LAC companies from a range of sectors, participating in the circular economy directly and/ or via their supply chains; practitioners from capacity-building organizations, consulting firms, and other intermediaries for the circular economy; circular economy impact-focused investors with LAC experience; and leaders from women-owned enterprises and startups focused on circular economy innovation.



Executive Summary

The circular economy is increasingly acknowledged worldwide as a necessary paradigm shift, especially in regions like Latin America and the Caribbean (LAC), where the stakes are particularly high due to a confluence of challenges. The conventional linear "take-make-waste" economic model has contributed to resource depletion, environmental degradation, and social inequalities, exacerbating existing vulnerabilities across the region. In the face of these challenges, as well as looming consequences like extreme weather events, supply chain vulnerabilities and political instability, the circular economy stands as a hopeful and sustainable path forward. By prioritizing resource efficiency, waste reduction, and sustainable production processes, the circular economy offers tangible solutions to mitigate environmental and social risks and build resilience against the growing impacts of climate change.

However, to fully realize the transformative potential of the circular economy in LAC, it is imperative to integrate a gender lens into its implementation.

This report asserts that a gender-inclusive circular economy is the most sustainable, just, and resilient alternative to linear models. We also argue that gender-inclusivity is good for business; our findings reveal that gender-inclusive businesses have a competitive advantage and attract unique investment. Thus, gender-inclusive circular businesses in LAC stand to gain the most from transitioning to circularity. By embracing the diverse perspectives of the region's women workforce and appealing to a women-driven consumer base, these businesses unlock new pathways for innovation and market growth. Additionally, we find that women in LAC benefit from circularity, as it presents a promising avenue for economic and social empowerment. However, despite the benefits of a gender-inclusive circular economy, there remains a gap in the integration of a comprehensive gender lens within circular frameworks and action plans in LAC. Transitioning to a

circular economy without the deliberate, intentional inclusion of women risks widening existing gender gaps and establishing a new, unequal status quo.

To assist businesses and investors in their gender-inclusive circular transition, this report offers a comprehensive guide structured in two main sections:

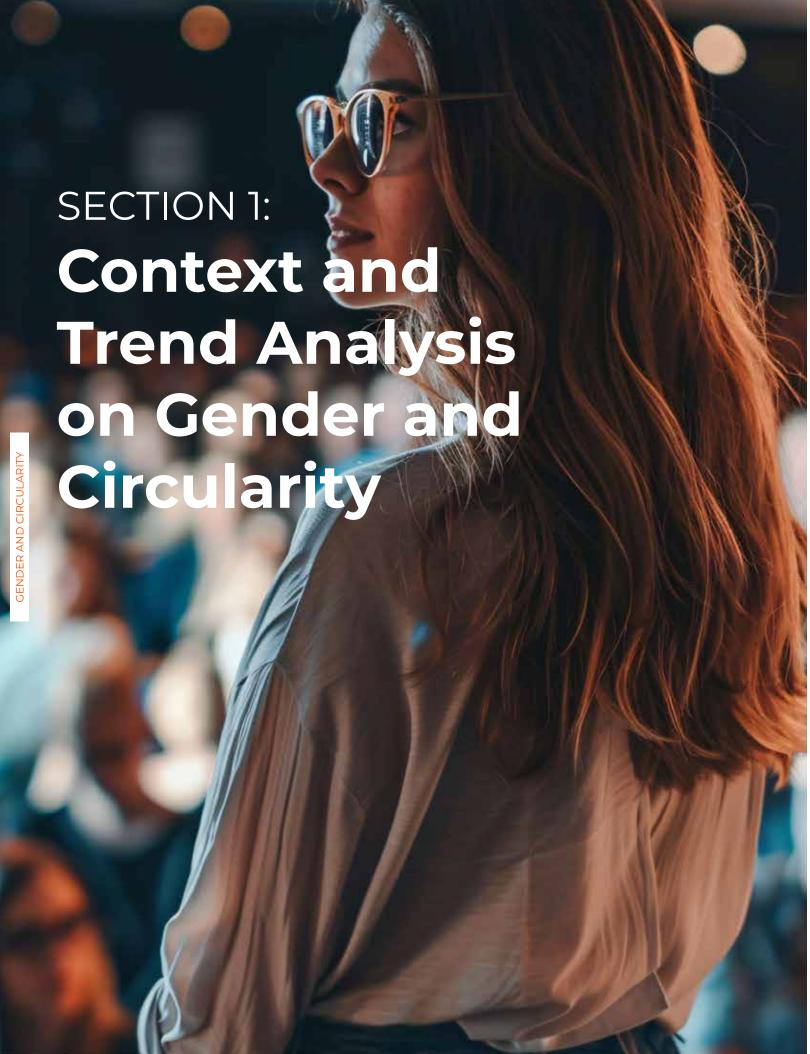
SECTION 1: Context and Trend Analysis on Gender and Circularity

- Provides an overview of circularity in LAC, highlighting gaps, challenges, and opportunities across key sectors
- Emphasizes the importance of integrating a gender lens into circularity and identifies associated challenges and opportunities.

SECTION 2: Practical, Locally-Relevant Guide for Companies in LAC

- Offers locally relevant strategies for integrating gender into circular models, including mapping gender impacts and opportunities, supporting women across supply chains, initiating gender-inclusive procurement practices, promoting gender equity through design, and attracting gender-lens investments.
- Illustrates guidance with examples from LAC and insights from regional stakeholders.

This report not only serves as a toolbox for businesses and investors embarking on their gender-inclusive circular transition but also as a call to action for all circular economy stakeholders to prioritize and embrace gender inclusivity in their approach. Integrating a gender lens into circularity in LAC is not an optional tag-on but an imperative step in ensuring a resilient and just circular economy for the region.



1.1 Rationale for the guide

1.1.1 Who should read the Guide?

The guidance is framed for companies in the LAC embarking on their circular journey. The guide primarily aims to promote gender action in firms and financial institutions embarking on the circular economy transition.

1.1.2 Why circularity matters to Latin America and the Caribbean

Latin America and the Caribbean (LAC) is a region set apart by vibrant and diverse cultures, strong sub-regional identities, unparalleled biodiversity and dynamic ecosystems. However, current linear economic models center around extraction and fuel limitless consumption, putting these distinctive features at risk. The current "take-make-waste" economic model yields fragile supply chains, drives social inequality and accelerates the destruction of natural resources ⁴. Biodiversity loss is occurring at an unprecedented rate and scale ⁵; rampant socioeconomic inequities position LAC among the world's most unequal regions ⁶; the increasing effects of

climate change, including rising temperatures and extreme weather events, are causing environmental and social harm⁷; and political instabilities continue to exacerbate regional vulnerabilities.

Circular economic models stand to increase both environmental and social resilience and can improve business outcomes in the region and globally. Circularity promises to rewire production and consumption patterns to minimize resource extraction and environmental harm, allowing countries and communities to meet economic needs within environmental boundaries. For businesses, circular models may offer greater cost savings, innovation, and competitiveness 8. LAC's transition to circularity is also expected to create an estimated 4.8 million jobs, particularly in recycling and reprocessing, and waste treatment industries, as well as services and repair sectors, driving economic growth and development for individuals and families in these communities 9,10,11.

The Circularity Gap Report: Latin America and the Caribbean, 2023, Circle Economy, Accessed here,

⁵ Living Planet Report, 2022. WWF. Accessed <u>here</u>.

⁶ Trapped? Inequality and Economic Growth in Latin America and the Caribbean, 2021. UNDP. Accessed <u>here</u>.

⁷ Effects of Climate Change in Latin America and the Caribbean, 2023. CAF. Accessed <u>here</u>.

⁸ The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy. Accessed <u>here</u>.

⁹ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed here

¹⁰ Decent work in the Circular Economy: an overview of the existing evidence base, 2023. Circle Economy, International Labour Organization, & Solutions for Youth Employment. Accessed here.

¹¹ Impacts of circular economy policies on the labour market: final report, 2018. Cambridge Econometrics, Trinomics, & ICF. Accessed <u>here</u>

1.1.3 Gender inclusion benefits circular businesses and economies

A gender-intentional transition to circularity has implications for businesses, economies, and women in all areas of circularity, from production to consumption. Women act as drivers of the transition to circular practices and business models and stand to gain from the transition. Thus, efforts to improve gender equity across circular value chains and those to drive sustainability through circularity are mutually reinforcing.

Businesses can reap a broad range of benefits by leveraging the roles and contributions of women in the shift to circularity.

On the demand side, engaging women as consumers can boost demand for circular products and solutions. Gender norms and traditional social roles mean that women are frequently responsible for making both small, daily household purchases, such as

food, and large household purchases, such as white goods; moreover, women's purchasing power in LAC has grown alongside the past two decades of sustained growth in women's labor force participation ¹². Among the lowest-income households in rural regions, women are also responsible for collecting water, fuel, and other resources ^{13,14}. **As such, women are deeply involved in consumption decisions and patterns.** Women's enabling roles as educators and community leaders or sustainability leaders can also help expand the demand for circularity.

Women may also have specialized or traditional knowledge of managing land, water, and other natural resources ¹⁵. This knowledge and experience may be applied throughout value chains to the innovation, design, production, and management of circular solutions. Engaging women as meaningful players in the transition is strategic for driving the development and implementation of circular business approaches.



¹² Buckland, L. et al., 2019. Gender Lens Investing: how finance can accelerate gender equality in Latin America and the Caribbean. IDB Invest. Accessed here.

¹³ Borja-Vega, C. and Grabinsky, J., 2020. Low-income households in Latin America are more likely to burden women with the responsibility of fetching water. The Water Blog, World Bank. Accessed here.

¹⁴ FAO, UN Women, and UNFPA agree on a plan to advance rural women's rights in Latin America and the Caribbean, 2023. UN Women. Accessed here.

¹⁵ Women and SDG 12, n.d. OECD. Accessed <u>here</u>.

Moreover, all businesses stand to benefit from increased gender inclusion in the workplace. Studies show that gender inclusion contributes to better business outcomes, including higher profits and dividend yields as well as increased transparency 16,17. Diversity at the management level is associated with greater profits—of 2,300 companies worldwide, those with the largest percentage of women in management roles were 47 percent more profitable than those with the fewest women in those positions 18. The same study suggested that in traditionally male-dominated, "inertia-prone" industries, such as energy, utilities and waste, and construction, women in management can find and attain new revenue streams and advance innovative models and strategies, and offered anecdotal examples of this phenomenon 19. For instance, womenfounded Marrone Bio Innovations (now called ProFarm Group) produces innovative biopesticides from natural materials that do not contribute to chemical pollution, while ICE Dragon Corrosion,

founded by Zoe Coull, brings anti-corrosion technology and techniques to the mining industry to reduce losses from corrosion-related failures.

There is also evidence that companies with higher levels of gender diversity at all levels perform better on environmental and social metrics ^{20,21}; engage in more innovation; access new markets and revenue streams; and adopt new business practices ²². Women's participation on corporate boards is also correlated with increased reporting and disclosure of issues and concerns related to Environmental. Social. and Governance (ESG) considerations²³. Taken together, these data suggest that companies with greater gender diversity will be most successful in adopting circular models.

1.1.4 Circularity is an opportunity for women's economic empowerment

Just as would-be circular businesses can benefit

from the engagement of women, women and economies stand to benefit from an intentional transition to circular models. The transition offers a chance to reframe women's economic activity and open new opportunities for them ²⁴.

In virtually all contexts, women are limited in the roles and employment opportunities they can take on. There is significant gender segregation in many sectors and occupations. Women are overrepresented in care-related jobs such as nursing and primary education and underrepresented in industries like engineering, technology, and mining ^{25,26}. While women's presence in STEM fields worldwide has increased, this growth is often not reflected in middle- or upper-management ²⁷. Indeed across sectors, women are overrepresented at the lowest rungs of the career ladder, and underrepresented in higher-paying roles, management, leadership, and corporate board positions. In LAC, though progress has been made at the regional level in the last decade, and the

region has achieved gender parity in the share of researchers, significant variability within the region persists, as does the glass ceiling that prevents women in STEM from achieving at the highest levels 28.

As proposed by circularity, a shift to new economic models, offers an opportunity to rethink other aspects of traditional economies, including the gendering of roles and industries. New jobs will be created that have not yet been gendered; these can be occupied by women without **normative restriction,** increasing the breadth of economic opportunities available to them. These jobs would include elements like redesign, repair of products, remanufacturing, or new ways of sorting materials ^{29,30}. (As a historical example, women were among the first programmers when the field of computing emerged in the early 20th century, but without intentional gender inclusion as the industry was formalized, the field later became much more male-dominated.)

¹⁶ The Business Case for Gender-responsive Climate-smart Mining, 2022. IFC. Accessed <u>here</u>.

¹⁷ Women as Levers of Change, n.d. FP Analytics. Accessed <u>here</u>.

¹⁸ Women as Levers of Change, n.d. FP Analytics. Accessed <u>here</u>.

¹⁹ Women as Levers of Change, n.d. FP Analytics. Accessed <u>here</u>.

²⁰ Women as Levers of Change, n.d. FP Analytics. Accessed <u>here</u>.

²¹ The Business Case for Gender-responsive Climate-smart Mining, 2022. IFC. Accessed here.

²² Women as Levers of Change, n.d. FP Analytics. Accessed <u>here</u>.

²³ The Business Case for Gender-responsive Climate-smart Minina, 2022, IFC, Accessed here

²⁴ Gender Equality and Green Jobs, 2015. ILO. Accessed <u>here</u>.

²⁵ Where women work: female dominated occupations and sectors, 2023. ILOSTAT. Accessed here.

²⁶These occupations are dominated by women, 2020. ILOSTAT. Accessed <u>here</u>.

²⁷ Where women work: female dominated occupations and sectors, 2023. ILOSTAT. Accessed <u>here</u>

²⁸ UNESCO. An unbalanced equation: Increasing participation of women in STEM in LAC.

²⁹ Lewandowska, E., 2019. The next big opportunity for gender equality? In Making It: industry for development, 2019. The UN Industrial Development Organization. Accessed here.

³⁰ The Circularity Gap Report: Latin America and the Caribbean, 2023, Circle Economy, Accessed here,

1.1.5 The risks of failing to adopt a gender lens

The circular economy can benefit from women's engagement, but this will not happen automatically. While the transition to circular economies is expected to produce a net increase in jobs, including for women, it is not projected to reduce gender inequality 31. Evidence suggests that circular policies and approaches to date have not included a gender lens 32,33,34. An analysis of policy documents, including circular economy roadmaps and national strategies from select Latin American countries (Chile, Colombia, Ecuador, Mexico, Peru, and Uruguay) and the European Union, uncovers a general lack of integration between gender equity and circularity strategies, even despite international recognition of the links between gender and sustainability more broadly 35,36.

Without an intentionally equitable and just approach to engaging women in new business models, investors risk recreating an inequitable status quo and widening existing gender gaps. Industries and businesses will continue to exclude women from desirable, secure, well-paid, and decent work. Circular models that do not actively seek to transform women's access to new roles,



training, and advancement opportunities will continue to segregate them into specific sectors and jobs.

Moreover, while the transition to circularity is expected to produce a net increase in jobs, some sectors and job categories, particularly raw materials processing and waste disposal, will experience a

decrease in jobs. A gender-unaware transition to circularity will primarily benefit high-skilled workers in men-dominated sectors, thereby further reducing women's participation in the labor force 37,38.

Specifically, women may be left out due to a lack of in-demand circular economy skills. Skills for the circular economy include both "broad" transversal skills, such as digital and green literacy, and "deep" functional and technical skills related to specific disciplines ³⁹. Yet across LAC, women are underrepresented in STEM fields generally, and particularly in areas such as architecture, engineering, math and computer sciences, meaning they are less likely to have some of the skills needed for circular economy roles 40,41.

At the same time, many support activities currently associated with circularity in LAC and globally, such as in recycling and waste management value chains, are considered low-skilled occupations. As a result, these jobs are primarily performed in the informal sector by marginalized groups, including women, migrant workers, Indigenous Peoples, Afro-descendant people or other racialized groups, and youth 42. If in their transition to circular models, companies

fail to recognize and respond to the specific needs, priorities, and preferences of these groups, they are likely to perpetuate inequality and informality, missing out on the opportunity to achieve real and sustained social, economic and environmental transformation.

If women's active engagement in circularity can benefit businesses, excluding them from highquality circular opportunities limits the economy in many ways. On the supply side, women's underrepresentation in production, particularly in management and leadership roles, will hamper progress toward environmental outcomes and temper the impacts of circular economic models 43. UNIDO research indicates that women business owners are more likely to set up and expand their business in green industries than in traditional ones 44. On the demand side, owing to their significant household purchasing power and user influence, overlooking women would mean neglecting the population that is best placed to drive sustainable consumer behavior—severely limiting the potential reach, growth and commercial success of these businesses.

³¹ The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy. Accessed <u>here</u>.

³² Mies, A., and Gold, S., 2021, Mapping the social dimension of the circular economy, Journal of Cleaner Production, Accessed here,

³³ Green Jobs for Women in Africa, 2021. UN Women and the African Development Bank. Accessed <u>here</u>.

³⁴ Albaladeio, M., et al., 2022, Why adopting a gender-inclusive approach toward circular economy matters. Accessed here,

³⁵Albaladejo, M., et al., 2022. Why adopting a gender-inclusive approach toward circular economy matters. Accessed <u>here</u>

³⁶ Lewandowska, E., 2019. The next big opportunity for gender equality? In Making It: industry for development, 2019. The UN Industrial Development Organization. Accessed here.

³⁷ World Employment Social Outlook: Greening Jobs, 2018. ILO. Accessed <u>here</u>.

³⁸ Women and SDG 12, 2021. OECD. Accessed <u>here</u>.

³⁹ Closing the Skills Gap: Vocational Education and Training for the Circular Economy, n.d. Circle Economy. Accessed <u>here</u>.

⁴⁰ Women in Science, 2019. UNESCO. Accessed <u>here</u>.

⁴¹ Cuberes, D., et al., 2022. Gender gaps in STEM occupations in Costa Rica, El Salvador, and Mexico. IDB. Accessed here.

⁴² The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy. Accessed <u>here</u>.

⁴³ Women as Levers of Change, n.d. FP Analytics. Accessed <u>here</u>.

⁴⁴ Women, SMEs and sustainable development, UNIDO, Accessed here

1.2 Technical landscape

1.2.1 The current discourse around circularity in LAC

The evolution of and demand for circularity in LAC

To combat consequences stemming from the current linear economy model, a series of interconnected and progressive shifts in government policies ⁴⁵, private sector actions ⁴⁶, consumer awareness ⁴⁷, technological innovations ⁴⁸, and investment allocations ⁴⁹ are taking place in many of the region's economies.



Colombia has a National Strategy for Circular Economy, which includes six areas of action for the country to achieve a circular future ⁵⁰. Additionally, Colombia has also initiated a National Policy for the Integral Management of Solid Waste, which includes strategies for waste reduction, recycling, and promoting circularity ⁵¹.



Argentina has a stated commitment to support businesses and industries that adopt circular principles ⁵².



Costa Rica implemented Clean Production standards, which aim to improve resource efficiency and decrease environmental impacts of production processes ⁵⁴.

Meanwhile, **Chile** has dedicated efforts to develop technology that reduces the environmental impact of mining operations and promotes the circular use of resources ⁵³.

LAC

Comprising member countries and institutions from across the region, **The LAC Circular Economy Coalition**leverages stakeholder collaboration to define and grow a Latin American and Caribbean circular economy ⁵⁵.

These initiatives collectively illustrate a growing regional commitment to embracing a circular future.

⁴⁵ Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Building Resilience. Chatham House. Accessed here.

⁴⁶ Meet four enterprises that are paving the way for Latin America's circular economy, 2022. NESsT. Accessed <u>here</u>.

⁴⁷Roales, F., 2023. How Latin Americans See Sustainability. CreativeInsights. Accessed <u>here</u>.

⁴⁸ Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Buildina Resilience. Chatham House. Accessed here.

⁴⁹ Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here.

⁵⁰ The National Strategy for Circular Economy in Colombia, 2022. Circle Economy Knowledge Hub. Accessed <u>here.</u>

⁵¹ National Policy for the Integral Management of Solid Waste, 2016. Accessed <u>here</u>.

[©] Eco-innovation in Argentine Industrial Firms: A Characterization from the Perspective of Circular Economy Transition Strategies. Accessed here.

⁵³ Gomez, Christian. Chile is Leading the Way as an Example of a Regional Circular Economy. Circular Innovation Lab. Accessed <u>here.</u>

⁵⁴ Programa de AVP+L, n.d. DIGECA. Accessed here.

⁵⁵ Circular Economy Coalition, n.d. Accessed <u>here</u>.

Measuring circularity in the region: current state and gaps

Circularity is highly complex, and not easy ⁵⁶. Tools and indicators have been developed to measure the circularity of products, business models and even entire economies. The following is a selection of indicators and approaches for measuring circularity:

- Platform for Accelerating the Circular Economy (PACE), in partnership with The Circle Economy, launched the Circular Economy Indicators Coalition, which develops and shares circularity indicators for a range of stakeholders and sectors ⁵⁷. The indicators help assess material use, product life extension and waste management.
- The Ellen MacArthur Foundation's Circulytics Framework, now used to inform the EU's
 European Sustainability Reporting Standards, helps businesses assess circularity in their product
 design, material choices, and waste management.
- **Life Cycle Assessment** approaches, while not specific to circularity, are widely used to assess the environmental and social impacts of products throughout their entire life cycle, shedding light on energy consumption, waste and more.
- The World Business Council for Sustainable Development developed its Circular Transition Indicators to offer a cross-sector solution to circular measurement challenges ⁵⁸.
- Some companies, such as electric utility Enel, have developed their own models and indicators for circularity. Enel's CirculAbility produces an indicator for a company's circularity performance based on financial and physical data such as use of recycled materials ⁵⁹.

While techniques, metrics, and approaches differ, circularity in business is generally measured based on resource productivity, use of virgin materials, product recyclability, water and resource consumption, industrial waste, product longevity, and repairability ⁶⁰.

The Latin American and the Caribbean Circularity Gap Report attempts to assess the region's progress toward circularity ⁶¹. However, the report highlights significant challenges due to data gaps on material flows, waste generation, recycling rates and resource efficiency, making measurement challenging in the region. Addressing these data gaps is crucial, as they represent substantial barriers to measuring progress toward circular economies.

The Circularity Gap report suggests that new digital solutions like the Internet of Things have the potential to enhance the efficiency of data collection, simplifying how circularity is measured and improving accuracy. With these improved insights, more focused action can be taken to improve circularity in the region. In a similar vein, a United Nations Environment Program (UNEP) circularity report calls for indicators that integrate existing ESG frameworks. This approach aims to bridge gaps between circularity assessment and broader sustainability progress, fostering a more comprehensive understanding of the region's environmental and social impact ⁶².

However, despite these efforts, more work needs to be done to develop metrics focused on social impacts from circularity, especially women's empowerment and gender inclusion. The prevailing focus on environmental metrics leaves a critical gap in understanding the holistic impact of circularity initiatives.

⁵⁵ Circular Metrics For Business: finding opportunities in the circular economy, 2020. Circle Economy and PACE. Accessed <u>here</u>

⁵⁷ Circular Economy Indicators Coalition, n.d. PACE. Accessed <u>here</u>.

⁵⁹ Circular Transition Indicators, n.d. World Business Council for Sustainable Development. Accessed <u>here</u>.

⁵⁹ Enel's approach and KPIs for circular targets. N.d. Accessed <u>here</u>.

 $^{^{60}\, \}text{Dilmegani, C., 2023. Top 10 metrics to assess the circularity of businesses in 2023.}\, \text{AlMultiple.}\, \text{Accessed }\underline{\text{here.}}$

⁶¹ The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy and the Circular Economy Coalition. Accessed <u>here.</u>

[©] Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here,



1.2.2 Sectoral shifts toward circularity

This section examines shifts toward circularity, broadly categorized into the three main economic sectors related to physical goods and materials: primary production (agriculture), secondary industry (manufacturing), and the tertiary sector (services). This brief focuses on industries with high circularity potential, including food, and agribusiness, apparel and other manufacturing, and digital platforms that enable circularity.

Transitions in key sectors

Agriculture

Agribusiness has long been a driver of LAC's economy. However, it is a resource-intensive sector and a significant driver of the region's deforestation, water waste, and emissions. Agribusiness in LAC is a male-driven industry, with rural women holding only 1/5th of formal agriculture jobs ⁶³. That said, women's contribution to the agriculture sector is often invisible due to social structures that deem women's labor "help" rather than "work" ⁶⁴. The sector's gender gaps require that any circular transition embraces the role of women throughout agribusiness value chains to ensure long-term resiliency.

The transition to gender-inclusive circularity in the agriculture sector primarily requires a return to gender-conscious regenerative practices at scale ⁶⁵. The sector has the potential to transition away from conventionally extractive and resource-intensive agricultural models toward traditional and regenerative agriculture techniques that support, enrich, and replenish soil health and other renewable biological resources in natural systems. Furthermore, circular technological innovations can increase agricultural productivity by enabling the use of fewer resources, as well as reducing agricultural waste.

In LAC, it is primarily women who hold and pass down knowledge of traditional agricultural techniques, which positions women as vital actors in the region's transition to circular agriculture ⁶⁶. Additionally, because women hold 30% of agricultural jobs in LAC, their inclusion in the transition to circular agriculture is vital to the success of the transition and the overall resiliency of the sector ⁶⁷. Not only a more gender-inclusive agriculture would help empower the women already in agriculture jobs, but it would also increase women's overall participation in agriculture.

In LAC, there are two key elements of circular agriculture:

- Circular agriculture prioritizes efficient use of resources and effective waste reduction solutions. Over one-third of food produced in LAC is lost and wasted; circular agriculture solutions work to not only reduce waste in the first place but also re-channel lost and wasted food to create revenue streams, reduce landfill costs, rebuild soil health, and support farmers through more sustainable livelihoods ⁶⁸. For example:
 - Farms in the Mezquital Valley in Mexico use industrial wastewater to irrigate over 90,000 hectares of crops ⁶⁹.
 - Coffee farming cooperatives in Nicaragua are upcycling agricultural waste into organic fertilizers ⁷⁰.
- Circular agriculture can also harness and regenerate otherwise unproductive urban land and vertical space for food production.
 - In Havana, Cuba, urban agriculture is experiencing a boom; food is grown around the city in vacant lots, terraces, and alongside roads and is fertilized by crop, animal, and domestic waste ⁷¹.

a FAO, UN Women, and UNFPA Agree on a Plan to Advance Rural Women's Rights in Latin America and the Caribbean, 2023. UN Women. Accessed here.

⁶⁴ Rural Women are Key to Building a Care Society, ECLAC says, 2023. UN ECLAC. Accessed <u>hAe</u>.

 $^{^{\}rm 65}$ Food and the circular economy, n.d.. Ellen MacArthur Foundation. Accessed $\underline{\rm here}.$

[🥫] Tzec, A., et al., 2022. Celebrating and upholding Indigenous women: keepers of Indigenous scientific knowledge. IUCN. Accessed <u>here</u>.

⁶⁷ Arora, D., et al., 2023. A macro analysis of gender segregation and job quality in Latin America. World Development. Accessed here.

⁶⁸ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed <u>here</u>.

⁶⁹ Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Building Resilience. Chatham House. Accessed here.

⁷¹ Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Building Resilience. Chatham House. Accessed here.



Manufacturing

The manufacturing industry in LAC is fast-growing and globally competitive. However, as the export market grows, waste continues to increase, making a transition to circularity essential. Women are underrepresented in the majority of the manufacturing sector while disproportionately overrepresented in textiles and garments manufacturing ⁷². Not only is the textiles and garments manufacturing sector one of the lowest-paid sectors, but women within the sector tend to work in the lowest-skilled and lowest-paid roles ⁷³. The sector's transition toward circularity presents a unique opportunity to prioritize gender inclusion.

Heavy industry and manufacturing, while traditionally a resource-intensive sector, is also beginning to shift toward circularity. As over-extraction becomes an increasing concern for the region, circular solutions are surfacing. New technologies increase material efficiency, which lowers the demand for metal inputs in manufacturing processes and reduces scrap metal ⁷⁴.

- Coca-Cola FEMSA opened a plant in Mexico to evaluate, repair, and repurpose decommissioned refrigerators. Since opening, the processing plant has successfully reused over 57,000 cooler pieces in over 25,000 new appliances ⁷⁵.
- Sinctronics, a Brazil-based branch of the electronics manufacturer Flex, has pioneered the processing of waste-equipment into raw materials for new electronic goods ⁷⁶. Indeed, 97% of materials recovered by Sinctronics are returned to the supply chain.

In the women-dominated textile and garment industry, circularity is concerned with four main factors: raw materials and fiber production, manufacturing processes, logistics, and consumption. Likewise, the packaging industry is also concerned with high volumes of relatively low-value materials, consumption, and the logistics required to reclaim and revalorize materials. Across LAC, circular organizations and innovations are beginning to address these concerns.

- The non-government organization Hecho Por Nosotros works to build capacity and integrate circularity into artisan textile companies and communities in LAC. The organization founded Animaná, a textiles business in Argentina that attempts to address the four main circularity concerns while also protecting and revitalizing traditional textiles practices ⁷⁷.
- Throughout LAC, sustainable fashion has grown in prominence. Brazil and Uruguay are two markets with a noticeable increase in "slow fashion" ⁷⁸. GoTrendier, a digital platform for the purchase and sale of second-hand clothing, has not only solidified its corporate sustainability strategy, but it has successfully expanded its operations through Mexico and Colombia ⁷⁹.
- Chilean circular packaging manufacturer Algramõ is spearheading pre-fill and refill packaging models. Expanding operations across LAC, Algramõ works with large brands to help accelerate circularity throughout the region ⁸⁰.
- In Chile, the company Ecocitex is converting one ton of textile waste per week into new textile products for sale and donation 81.

 $^{^{72}}$ Gender Aspects in the Latin American Garment Industry, 2011. SOMO. Accessed <u>here.</u>

⁷³ Gender Aspects in the Latin American Garment Industry, 2011. SOMO. Accessed <u>here</u>.

⁷⁴ The Circularity Gap Report: Latin America and the Caribbean, 2023. CGRI, Accessed here.

[🍜] Elizondo, B., and Maldonado, E., 2022. Six Success Stories for the Circular Economy in Mexico and Latin America. Accessed here.

^{* 5} Companies making Latin America a more sustainable region through digital innovation, 2017. World Economic Forum. Accessed here.

[&]quot;Sustainability and Circularity in the Textile Value Chain: a global roadmap, 2023. UNEP. Accessed here."

⁷⁸ Jarpa, S. and Halog, A., 2021. Pursuing a circular and sustainable textile industry in Latin America. Sustainable Fashion and Textiles in Latin America. Accessed here.

⁷⁹ GoTrendier, n.d. Accessed <u>here</u>.

⁸⁰ Algramõ, n.d. Accessed <u>here</u>.

⁸¹ Ecocitex, n.d. NESsT. Accessed <u>here</u>.



Services

The services sector in LAC is undergoing a transformative shift toward circularity. While traditional economic drivers such as agribusiness have been resource-intensive and linked to environmental challenges, the services sector is embracing circular principles to mitigate its impact.

Women account for 85% of LAC's service sector workforce; however, women hold only 34% of service jobs in which salaries exceed the national median 82. While female representation in the sector is strong, the transition to a circular service industry will require deliberate and lasting inclusion of women in higher-paying roles in order to become a legitimately gender-inclusive circular sector.

Today, the shift toward circularity in the services sector is marked by companies and innovations that facilitate reuse and other revalorization of products and materials, enable product-as-a-service business models, and connect other players in the circular economy to make material circularity more efficient.

• A digital solution by Chilean company Algramõ allows customers to refill household products from a smart powered dispensing machine, using packaging with embedded Radio Frequency Identification (RFID) chips. The machine recognizes the packaging and dispenses the right product at a desired quantity without the need to login. This

- technology is the gold standard for a circular economy for plastics because, unlike recycling, it maintains the structure and reusability of the packaging 83.
- Sharing economy platforms in the region, such as accommodation and ride-sharing services, are growing as a form of trade in LAC 84. These platforms often emphasize sharing resources and reducing the need for ownership, aligning with circular economy principles.
- Circular Brain is a Brazilian tech platform that connects players in the electronics and e-waste industry. It provides environmental compliance solutions for large electronic manufacturers, sources e-waste for recyclers in the country, and incentivizes consumers to recycle and properly dispose of their electronic waste 85.

Finally, while national economies are frequently organized by sector, it should be noted that a circular economy is concerned with the flows of materials across the economy, including from one sector to another 86. In the clean energy transition, metals and minerals such as copper and lithium could see a four-fold rise in demand by 2040 87, and many sectors from mining to e-waste management will need circular solutions to address this demand. Gender inclusion across these material value chains has the potential to contribute to innovation, meet labor needs, and boost local communities and economies while accelerating the development and deployment of circular solutions.

[🛮] Arora, D., et al., 2023. "A macro analysis of gender segregation and job quality in Latin America." World Development. Accessed <u>here</u>,

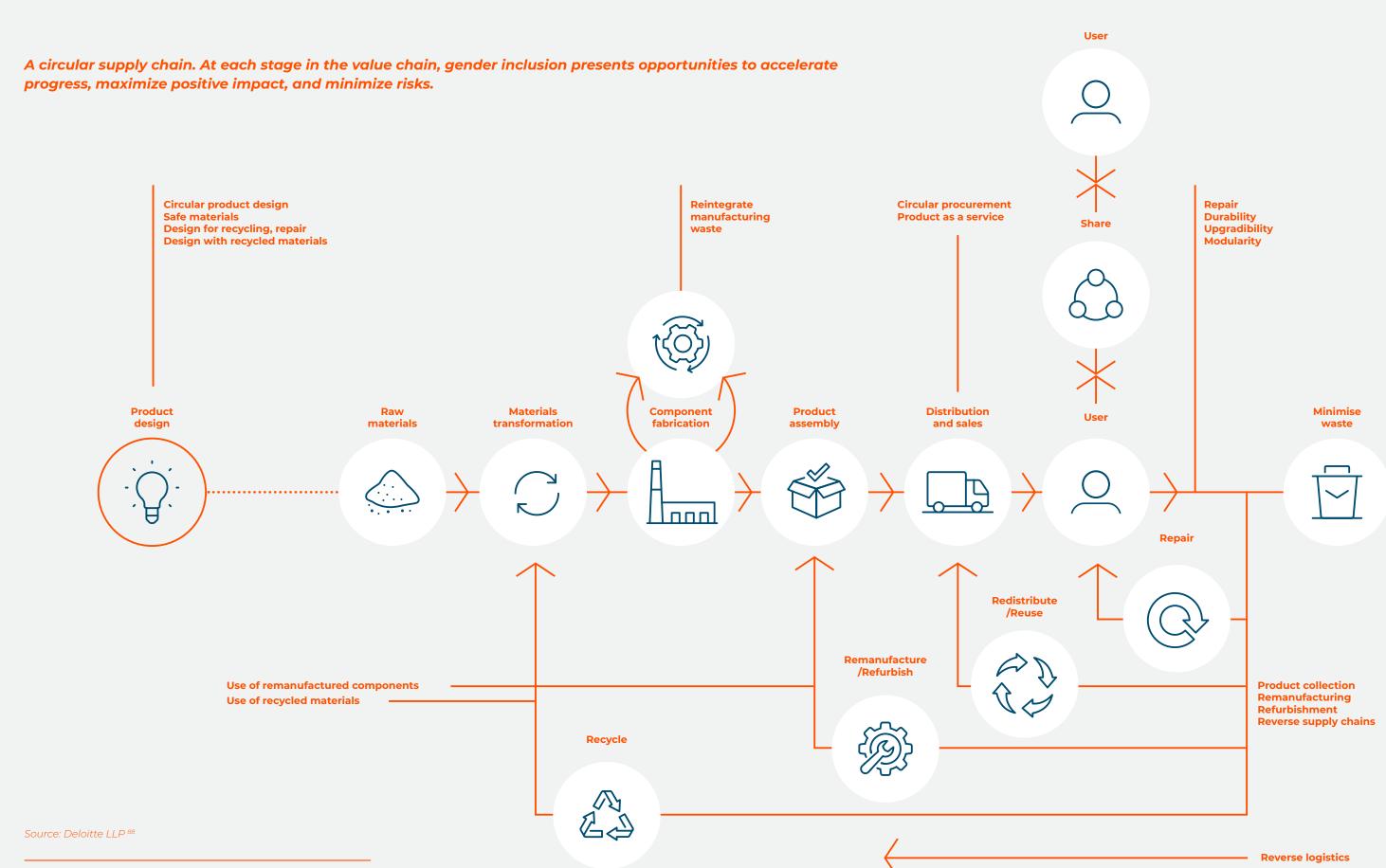
⁸³ Algramõ. Accessed <u>here</u>.

⁸⁴ Nicolini, Cecilia. The Sharing Economy: What's Mine is Yours and What's Yours Is Everyone's. Access <u>here</u>.

⁸⁵ Circular Brain. Accessed here.

⁸⁶ Interview with Carla Magaiore, BASE,

⁸⁷ IEA. The Role of Critical Minerals in Clean Energy Transitions. Accessed <u>here</u>.

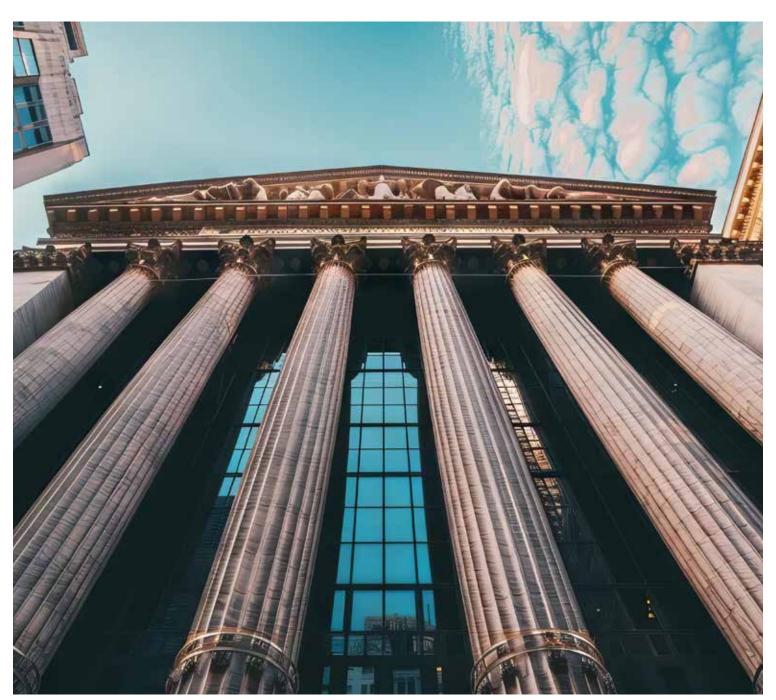


⁸⁸ Deloitte LLP. A circular economy for critical minerals is fundamental for our future. Accessed <u>here.</u>

1.2.3 Multi-stakeholder collaboration to facilitate circular systems change

Accelerating the transition to circularity in LAC will require the participation and collaboration of various stakeholders, each with their role, but united by a common goal ⁸⁹. As of 2021, businesses, governments, and financial institutions had collectively invested USD 1.3 trillion into waste-reduction and recycling initiatives globally ⁹⁰. Governments in LAC are developing and adopting circularity roadmaps and policies ⁹¹. Consumers are bringing circular business models to life by increasingly opting for sustainable products over conventional alternatives ⁹².

Together, stakeholders across LAC must continue to work harmoniously as Activators, Implementers, Enablers, and Participants, bringing gender intentionality to facilitate circular systems change that is inclusive of all.



Financial Institutions as Activators

By providing financial resources, expertise, and incentives to adopt gender-equitable circularity, public and private financial institutions in LAC play a pivotal role in activating the transition to a gender-inclusive circular economy. Research also emphasizes the importance of collaboration with peer financial institutions and companies throughout value chains ⁹³.

Financial institutions can activate gender-inclusive circularity in a variety of ways, including integrating circular considerations into risk frameworks, sharing knowledge, building capacity, supporting the development of circularity metrics, and helping businesses navigate the complexities of transitioning to circular models.

However, perhaps the most influential role that financial institutions have as activators of a gender-inclusive circular economy is through funding and investing in inclusive gender-conscious circular economy initiatives. By providing the necessary capital to a diverse and inclusive recipient base, financial institutions help companies overcome the barriers that hinder the adoption and/or expansion of circular business models in LAC ⁹⁴. Financiers can also use their leverage to ensure a gender lens is embedded in circular growth at the outset, including finance for inclusive circular businesses.

⁸⁹ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed here.

⁹⁰ Schröder, P., and Raes, J., 2021. Financing an inclusive circular economy: de-risking investments for circular business models and the SDGs. Chatham House. Accessed here.

gi Schröder, P., et al., 2020. The circular economy in Latin America and the Caribbean: opportunities for building resilience. Chatham House. Accessed here.

⁹² Magistrelli, B., 2023. Creating a sustainable supply chain: leading the way in Latin America. Maersk. Accessed <u>here</u>.

gullocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here,

⁹⁴ Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here,



Businesses as Implementers

Businesses bring a gender-inclusive circular economy to life. To transition away from the "take, make, waste" model, businesses must implement circular business approaches, generate consumer awareness and behavior change, collaborate within the industry, financially commit to circularity, and leverage their workforce.

Adopting gender-conscious circular business models is the most impactful way businesses can aid a just transition to a circular economy. Circular business models fall into four categories, each corresponding to a different stage of the value chain: circular design, optimal use, value recovery after use, and circular support 95. Each business model has potential and pathways for implementation in LAC.

Building consumer awareness and changing consumer behavior is another way businesses can advance circularity. Businesses carry the responsibility of educating consumers on circular products, responsible consumption, and the benefits of a culture of circularity. In LAC, where consumer demand is already shifting toward circularity ⁹⁶, businesses must not only adapt to meet this demand but also get ahead by creating knowledge of and demand for circularity.

In LAC, business collaboration has driven circular economy implementation. The Circular Economy Coalition of Latin America ⁹⁷, for example, demonstrates the benefits of business-led partnerships and industry alliances: sharing best practices, developing common circularity standards, and collectively addressing challenges associated with the circular transition.

Without a financial commitment to circularity, business efforts to implement gender-inclusive circularity will fall short. Businesses must allocate resources for research and development of gender-inclusive circular solutions, as well as invest in sustainable technologies to formally commit to circularity goals. Through grants, loans, venture capital and other targeted funding, businesses can secure the necessary funds to catalyze and implement their circularity initiatives.

And finally, to fully implement a circular economy, businesses must leverage their workforce.

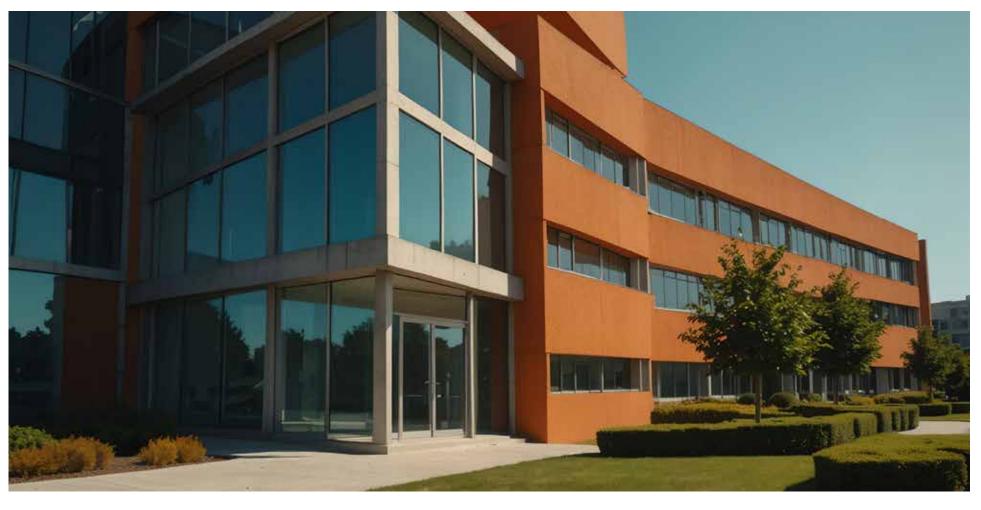
Upskilling existing employees for circular jobs and training the informal workforce to enter the circular job market are key ⁹⁸. To leave no one behind in the circular transition, businesses must put effort into whom and how they train and hire. A just circular transition requires attention to equitable upskilling, formal work, and leadership opportunities ⁹⁹.

⁹⁵ Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here.

⁹⁶ Latin America and the Caribbean launches the Circular Economy Coalition, 2021. Circular Economy Coalition Latin America and the Caribbean. Accessed here.

⁹⁷ Latin America and the Caribbean launches the Circular Economy Coalition, 2021. Circular Economy Coalition Latin America and the Caribbean. Accessed <u>here</u>.

⁹⁸ Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed https://example.com/html/personance Unitiative. Accessed https://example.com/html/personance Unitiative. Accessed <a href="https://example.com/html/personance Unitiative. Accessed



Governments as Enablers

Government initiatives in LAC are key enablers of a gender-inclusive circular economy. In 2021, governments from across the region formalized the Circular Economy Coalition of Latin America and the Caribbean to define and advance a regional circularity strategy.

While the regional strategy is key for generating authentic, large-scale progress, governments across LAC have taken their own measures to advance circularity within their local contexts. Across LAC, governments have acted as enablers of important circular economy initiatives, from measuring resources and implementing waste management solutions to imposing green taxes and garnering community buy-in 100,101. Chile has led the region, enacting the highest number of circular economy initiatives among its regional counterparts ¹⁰². The public initiatives cover a range of circular issues - from waste management, to producer responsibility, to public health. Other governments have followed suit in passing circular economy plans including Colombia 103, Uruguay 104, the Dominican Republic 105 and Mexico 106. While circularity efforts have been strong across the region, a distinct connection to gender has yet to be made. Connecting circularity and gender will be a key opportunity for governments to accelerate a just circular transition via citizen behavior change, greater uptake, accelerated innovation, and a wider pool of skilled labor for the transition.

 $^{^{\}rm 100}$ Accelerating the shift to a circular economy, 2022. On the Green Agenda, GASCO News. Accessed $\underline{\rm here.}$

¹⁰¹ Conceptualizing a circular economy in the Caribbean: perspectives and possibilities, 2021. UN Economic Commission for Latin America and the Caribbean. Accessed here.

¹⁰² Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Building Resilience. Chatham House. Accessed here.

¹⁰³ Gomez, C., 2023. Circular Economy Initiatives in Colombia. Circular Innovation Lab. Accessed <u>here</u>.

¹⁰⁴ Plan de Acción en Economía Circular, 2019. Transforma Uruguay. Accessed <u>here</u>.

¹⁰⁵ Dominican Republic Circular Economy Report 2021. Ministerie can Buitenlandse Zaken. Accessed <u>here</u>.

¹⁰⁶ Mexico City enacts a circular economy law, 2023. Resource Productivity & Recovery Authority. Accessed <u>here</u>.



Consumers as Active Participants

Consumers, through their purchasing choices, consumption patterns, and advocacy for sustainable practices, play a pivotal role in driving the transition to a gender-inclusive circular economy.

Consumer demand is essential for applying the right pressure on both governments and the private sector. Consumers—and particularly women as they constitute a large portion of the consumer base—forge and shape the market for circular goods, ultimately influencing businesses to produce with circularity in mind. Consumers are also responsible for what happens at the end of a product's life. Without consumer awareness or the right incentives, circular strategies can be undermined.

Consumer demand for circularity in LAC is on the rise, reflecting a growing awareness of environmental issues. While consumption in LAC is projected to grow, consumers are increasingly prioritizing environmentally conscious products and practices, representing a slow but steady divergence from traditional patterns of consumption ¹⁰⁷. **Transitioning to circularity in LAC requires the public to shift from being consumers to being users** ¹⁰⁸, demanding that products are designed for use rather than consumption and disposal.

As active participants in the transition to a circular economy in LAC, (women) consumers across the region must be empowered to shift their consumption practices and hold the private sector accountable. However, challenges persist, including unequal access to circular alternatives, and the need for education on sustainable choices. (See section 2.4 for further exploration of women's involvement as consumers and their pivotal role in shaping consumption patterns.)

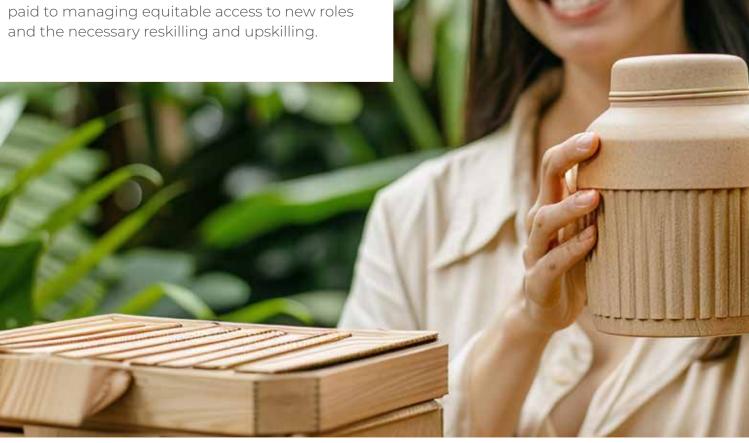
Notably, purchasing environmentally friendly options often entails higher costs, posing an obstacle to widespread acceptance. However, in many cases, circular alternatives, and products are becoming more affordable. As circularity gains traction and technologies advance, the costs associated with recycling, refurbishing, and remanufacturing certain products may decrease. Moreover, as consumer demand for sustainable and circular products grows, companies are incentivized to invest in innovative solutions and production methods that minimize waste and resource use. This increased investment in circularity will also lead to efficiencies that are likely to drive down costs over time.

¹⁰⁷ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed here.

¹⁰⁸ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed here,

1.2.4 Labor market shifts in relation to circular businesses in LAC

The labor market in LAC is marked by high unemployment rates, income inequality, gender disparities, and widespread informality ¹⁰⁹. Transitioning to a circular economy has the potential to exacerbate these challenges and worsen existing divides unless close attention is paid to managing equitable access to new roles and the necessary reskilling and upskilling.



New Jobs and Roles in LAC Emerging Through Circularity

The International Labour Organization (ILO) has projected that the circular economy will create 4.8 million jobs in LAC by 2030, of which 80% will be in sectors that today are dominated by men ¹¹⁰.

These new jobs will largely appear in a few key areas:

Product
The com

Product design and circular innovation.

The composition, recyclability, and durability of products need to be reimagined for circularity, increasing the demand for product designers and innovators ¹¹¹.

Supply chain management. With a heavy focus on regenerative and circular supply chains for circular businesses, new circularity-focused jobs in supply chain management and procurement will emerge.



Refurbishing and remanufacturing.

To lengthen the lifecycle of products, there will be increasing demand for refurbishment and remanufacturing professionals, including technicians, mechanics, and engineers. The ILO has projected that in Argentina alone, the burgeoning product repair sector could create up to 33,000 new jobs ¹¹².



Waste management and recycling.

Circular economies increase the demand for recycling and resource recovery, thus increasing the demand for workers in waste sorting, recycling facilities, and collection systems. These jobs include waste management specialists, recycling plant operators, and technicians, as well as the robust and women-dominated informal workforce that currently dominates waste management in LAC 113,114. This informal workforce of waste pickers and sorters will be a critical group to include, empower and leverage in the circular transition. For instance, recycling cooperatives like Cataki¹¹⁵, in Brazil, facilitate job security and bolsters social cohesion for informal workers. Initiatives like Latitud R 116 work to formalize inclusive waste management systems across the region to improve working conditions and advance social and environmental sustainability.

¹⁰⁹ The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy and the Circular Economy Coalition. Accessed here,

¹⁰ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed here.

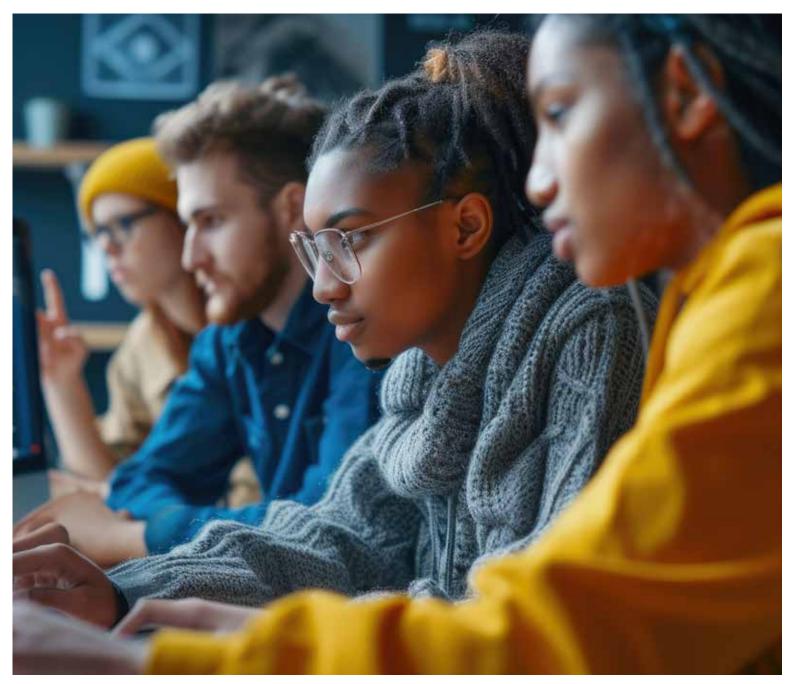
¹¹¹ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed <u>here</u>.

¹¹² Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Building Resilience. Chatham House. Accessed here.
¹¹⁵ Circular Economy in Latin America and the Caribbean: A shared vision, 2022. Circular Economy Coalition Latin America and the Caribbean. Accessed here.

The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy and the Circular Economy Coalition. Accessed here.

¹¹⁵ Cataki, n.d. Accessed <u>here</u>.

¹¹⁶ Latitude R., n.d. IDB. Accessed here.



Skills development and training programs in LAC

Today in LAC, many of the skills and competencies needed to deliver a circular economy are lacking across various sectors. For example, the dissemination of new digital and technological skills, the ability to conduct life cycle assessments, circular design skills, and knowledge of the regulatory compliance landscape are still in early stages. A successful transition to a circular economy will require large-scale upskilling and reskilling of the workforce.

From a social perspective, equitable access to skills development and training resources will be essential to ensuring that the circular economy does not leave any segment of society behind.

From a commercial perspective, upskilling and reskilling initiatives for employees at all levels and of all genders will reduce business risk, foster business-friendly conditions, and incentivize investment.

According to a recently published paper by the Circular Jobs Initiative (CJI), specific skills are crucial for facilitating the transition to a circular economy in LAC. These skills encompass a broad spectrum and include technical proficiencies such as expertise in waste management, recycling technologies, and sustainable design¹¹⁷.

In many LAC countries, the process of upskilling and reskilling has already begun, however many of the examples do not yet include an explicit gender lens. Section 2 provides guidance on how these and other companies can more explicitly integrate women.

- In Uruguay, the tire industry has become well aware of the need for a highly skilled workforce to make use of the technological innovations driving circularity in the sector 118,119. Several Uruguayan organizations have already developed training schemes for professionals across the tire industry supply chain, including tire disposal 120.
- In Chile, the Chilealimentos' Labor Skills
 Assessment Centre has begun providing
 training and certifications for organic waste
 valorization and optimization ¹²¹.
- The Green Jobs for Youth Pact works with universities across LAC to educate and build the capacity for graduates to enter the green workforce, which has significant overlaps with circularity ¹²².
- In Trinidad & Tobago, the College of Science, Technology and Applied Arts of Trinidad & Tobago has launched a research and entrepreneurship program to map the local circular economy and develop support mechanisms for circular entrepreneurship ¹²³.

To Closing the skills gap: vocational education and training for the circular economy. Circular Jobs Initiative. Accessed here,

¹⁰⁸ Schröder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Buildina Resilience. Chatham House. Accessed here.

¹¹⁹ Jobs in a net-zero emissions future in Latin America and the Caribbean, 2020. ILO. Accessed <u>here</u>.

¹²⁰ Jobs in a net-zero emissions future in Latin America and the Caribbean, 2020. ILO. Accessed <u>here</u>.

¹²¹ The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy and the Circular Economy Coalition. Accessed <u>here</u>.

¹²² The Circularity Gap Report: Latin America and the Caribbean, 2023. Circle Economy and the Circular Economy Coalition. Accessed here.

¹²³ COSTAATT and the Cropper Foundation Unite to Unlock Circular Economy Potential in T&T. Accessed here.

Training for decision makers, financial institutions, and other circular economy stakeholders is also essential.

- The Costa Rican Government has partnered with the Climate Technology Centre and Network (CTCN) to help develop its National Circular Economy Strategy ¹²⁴.
- The Ellen MacArthur Foundation is providing technical advisory and training to Bancolombia, a leading financial institution in LAC with a new circular economy agenda 125.
- IDB Invest contributed to the development of a circular economy categorization with a just transition component in partnership with Bancoldex, Bancolombia and Banco de Bogota in Colombia, supported by BASE, and with FEPCMAC (Association of Cajas Municipales) in Peru. The primary objective was to establish a standardized framework for categorizing circular economy projects, which could help to bridge the gap in circular economy financing. The collaboration also strengthened the internal capabilities of



participating banks and cajas municipales to advance the development of circular economy portfolios within each financial institution.

While formal upskilling and reskilling will help LAC bridge the skills gap and transition to a circular economy, "soft skills" and knowledge-sharing will also be crucial in the same sense.

- The Argentinian Government partnered with the American Institute for Cooperation on Agriculture to shape Argentina into a regional bioeconomy knowledge hub, advancing LAC's knowledge of circular ways of working with and existing in harmony with the land ¹²⁶.
- SOFOFA Circular Hub is a Chilean crosssector collaborative organization focused on problem-solving with social, environmental, and economic sustainability in mind. SOFOFA's circular economy projects have addressed industry collaboration, the mining sector, and more ¹²⁷.

¹²⁴ Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here.

¹²⁵ Unlocking Circular Economy Finance in Latin America and the Caribbean: the catalyst for positive change, 2023. UNEP Finance Initiative. Accessed here.

¹²⁶ Schroder, P., et al., 2020. The Circular Economy in Latin America and the Caribbean: Opportunities for Building Resilience. Chatham House. Accessed <u>here</u>.

1.3 - Approach to Gender Equity and Inclusion in Circularity

1.3.1 Applying a Gender Lens

Various "gender lenses" enable companies to focus on any relevant value chain segment or business domain where people drive value, experience risk, or derive benefit. This can involve assessing gender equity and inclusion opportunities in Research and Development (R&D) and design, sourcing/procurement, production, distribution, marketing and sales, service delivery, and after-sales support. Key lenses then include:

- Gender balance of business leadership: catalyzing majority women-owned and/or women-led businesses.
- Gender equity in the workplace: identifying strategies to ensure a safe and inclusive work environment, diverse workforce, and equitable opportunities for women to advance.
- Gender inclusion in the supply chain: creating valuable channels for women contractors, member associations, and Women-led Micro, Small, and Medium

Enterprises (WSME) as suppliers or distributors.

 Gender-intentional consumer marketing: leveraging data on women's needs and preferences in the design and marketing of products and services.

The following guidance reflects good practice lessons and indicators drawn from circularity case examples in Latin America and beyond. It homes in on the gender lenses of:

- 1. Fostering gender-equitable workplaces in companies' transition to circular approaches (including and promoting women as employees and leaders).
- **2.** Formally integrating women into circular supply chains.
- **3.** Designing circular solutions that work for women customers and/or end users ¹²⁸.
- **4.** Financing women's circular businesses and entrepreneurship in the circular business ecosystem.

1.3.2 Challenges and opportunities of integrating a gender lens in the circular economy

Women's labor force participation in Latin America is highly uneven across the region, ranging from roughly 42.3% in Honduras to 66% in Peru 129. Despite significant gains in girls' education and women's rights in many countries throughout LAC, gender gaps persist in economic opportunities and outcomes. Women still face legal and sociocultural barriers in numerous contexts, from unpaid care work, restrictive gender norms, and gender-based violence and harassment (GBVH) to property rights, account ownership, digital literacy, and mobile access.

While all "gender lenses" in this brief advocate intentional action to include and elevate women for more equitable access and opportunity in LAC's circular transition, the guidance also recommends engaging men in various capacities as managers, suppliers, and leaders

to realize the benefits of gender equality in business.

Further, an inclusion lens in LAC extends beyond women to consider other excluded groups, such as LGBTQIA+ persons, neurodiverse or differently abled persons, Indigenous Peoples and ethnic groups, Afro-descendant people and other racialized groups, and internal migrants or immigrants. Socially and economically excluded groups are highly contextual based on current events and historical patterns of marginalization. Some fields of analysis are sensitive and may not be directly inquired about in business settings. Thus, the brief's primary gender inclusion focus remains on women in all their diversity, with examples illustrating intersecting vulnerabilities as cases are available in the nascent realm of circularity in LAC.

1.3.3 An ecosystem approach to gender equity in circularity

While this Guide is intended for businesses and financial institutions embarking on or advancing their circularity journey, an ecosystem approach can facilitate a gender-equitable circular transition. Businesses exist at one of three levels where individual action and multi-stakeholder collaboration with a gender lens can advance the circular economy transitions; all are necessary to fully ensure the integration of gender into circularity.

Action Steps	Key Stakeholders in Circularity Ecosystem
Investment level* *Greatest emphasis here in Guidance	Businesses as developers and implementers - Owners, managers, multi-Latina and national company employers in key industries for circular transition.
Industry level	Financial Institutions as activators Development - Finance Institutions (DFIs), impact investors, intermediaries. Civil Society as active participants - Producer associations; coalitions; standards, training and certification bodies; sustainability and social impact organizations; consumer groups.
Economy level	Government as enablers - Policymakers (trade, economic policy, education policy, environment), ministry leaders, municipal officers.



The following section provides practical step-by-step guidance with locally relevant examples for companies in LAC that are ready to transition equitably.



Introduction

In this section, we present practical guidance and recommendations for firms and other actors to achieve a just transition to circularity and to adopt a gender-intentional lens in their business activities.

Guidance for mapping gender and circularity is followed by four key considerations for gender intentionality: protection and support for women employees, gender-responsive procurement practices, gender equitable design strategies and gender-responsive financing. Illustrative case studies and best practice examples drawn from interviews conducted between 2023 and 2024.

The guidance and best practices illustrated here are, in large part, similar to general guidance for all companies seeking gender equity and

inclusion. Limited comprehensive research exists on best practices in the circular economy, especially for engaging women and achieving a just transition, and few companies have proven illustrative strategies for doing so. This is at least in part because of the nascent nature of the field. Even less evidence exists that is focused on or contextually appropriate in LAC or the Global South 130. Therefore, this guidance draws from recommendations for approaches to gender equity in traditional, linear economic activities. Recognizing the specific needs and characteristics of circular economies, where possible and appropriate, recommendations have been tailored to circular practices and policies in support of companies adopting circular strategies and simultaneously embracing gender equity and diversity toward achieving a just transition.

¹³⁰ Circle Economy, International Labour Organization, & Solutions for Youth Employment, 2023. Accessed <u>here</u>.





2.1 - Mapping the investment context and the people most affected by your business model

Begin by mapping the investment context and then map the people most affected by your business model to understand gender impacts and opportunities that apply to your company or portfolio.

Transitioning to a gender - inclusive circular economy

A guide for businesses in Latin America and the Caribbean



Map the landscape

Map the state of gender and circularity across the business context.

Support women employees and contractors

> Ensure recruitment strategies, workplace policies and career advancement opportunities are structured to support women.

Promote genderresponsive procurement

Prioritize women-owned, women-led and gender equitable vendors, improve internal genderequity and promote gender action across supply chains.

Promote gender equity through design

Design products by and for women.

Promote genderresponsive financing models

> Establish and adopt gender criteria for investing, tailor financial products to women and use finance incentivize to gender action among businesses.

2.1.1 Map gender and circularity in local economic context

Map out data, enablers, and obstacles for gender and for circularity in your local economic context to identify key barriers and potential leverage points. These include, among others:

- Women's and men's labor force participation rates, levels of account ownership, digital literacy, mobile access.
- Context-specific segments of women's labor force that are excluded or face higher risk due to local dynamics—e.g., Indigenous Peoples, Afro-descendants, migrants, persons with disabilities, and the LGBT+ community.
- Existing mentorship or leadership acceleration programs.
- Legal barriers to women's economic participation—property, finance, business.
- Any national policy frameworks that promote gender equity in circular economy, sustainability, supplier diversification, human rights in business ¹³¹.
- Referral pathways for legal and psychosocial support services.

2.1.2 Map circular business model

Map out the state of circularity in your sector and industry of interest, current flows of the material/ resource you seek to impact and any enablers and barriers for a circular business model in your local economic context.

- What is the state of circularity for the material/s of interest in the sector/industry and across sectors?
- What barriers exist broadly for your industry and for your firm?
- Where in the industry value chain does the company operate?
- How does the industry aspire to circulate resources?
- What are your firm's specific goals and aspirations? What steps are needed to achieve them?
- What is the timeframe for adopting circular activities? What intermediary steps will be measurable, and in what timeframe?
- What skills currently exist in your firm? What new skills are needed (digital and otherwise) for circular transitions in the company?
- How will the firm address reskilling, upskilling, and hiring?
- Who will be responsible for the transition?

2.1.3 Map gender representation across the company's domains. Identify where women concentrate and are underrepresented and assess where they may face risk and present opportunity

In the company, where are women concentrated or under-represented? Where do these imbalances pose risks or present opportunities for an individual company? What actions by companies and investors are therefore needed to close the gaps?

- Direct employees.
- Individual contractors and temp workers.
- Suppliers and distributors (women/menowned and led firms).
- Customer segments and end-users ¹³².



- Total full-time men/women employees.
- Total temporary/seasonal men/ women employees.
- Total men/women employees in supervisory roles.
- Total men/women employees in senior/upper management roles.
- Total men/women-owned suppliers.

¹³¹ The World Bank's Women, Business and the Law annual report and framework provide an overview of legal environments around the world and their implications for women. Accessed here.

132 An "end-user" may not be a terminal but intermediate actor in a circular system, who must then be re-engaged to participate in circulation.

2.2 - Consideration A:

Support women as employees and contractors in circular businesses

This section provides guidance for companies to address key areas of concern for women in the workforce ¹³³.

Why is this important? As they transition toward circular models, companies must prioritize gender equity and social inclusivity in corporate policies and governance structures, to both fully reap the potential benefits of circularity for financial and sustainability outcomes and to advance gender equity and justice in the moment of transition.

Circularity demands that companies create innovative approaches to product design, waste reduction, and resource efficiency. Diversity and inclusion drive innovation, so it is essential that teams include equitable and meaningful representation of women at all levels. Supporting women employees in circular businesses demands action beyond token gestures; it requires a comprehensive commitment to fostering an environment where all genders have equal opportunities to enter the workforce, thrive in the workplace, and advance.

2.2.1 Develop and implement equitable recruitment strategies to attract high-quality, diverse candidates

The first step to creating an equitable workforce is to attract high-quality, diverse candidates. Traditional recruitment strategies that are not gender-intentional can reinforce gender—conscious or unconscious—that encourage men to apply over women and give preference to men applicants over women. That is, men are both more likely to apply at all and more likely to be successful applicants. Therefore, companies should implement recruitment strategies that are more likely to reach women applicants and judge women candidates equitably.

1) Post job advertisements where women will see them. In your context, where are women likely to search for jobs? Women may use different sources of job information from men. These spaces may include community centers, grocery stores,

or even products purchased by women ¹³⁴. Partner organizations, too, may be a good source of potential applicants, and companies should foster relationships with partners that have a strong base of potential women applicants, such as community or school-based organizations.

- 2) Use gender-neutral language and inclusive imagery in job postings. Avoid using masculine-only nouns and job titles (e.g., in Spanish, using only "director" rather than "director/a"), as well as more subtle but still traditionally masculine attributes, such as "competitive," "strong leader," and "dominant." Both forms of gendered language in job advertising can affect the applicant pool, as women may interpret that they are underqualified and do not "belong" in the job or company 135,136,137.
- **3) Avoid discriminatory interview practices.** Companies should not ask about age, marital status, pregnancy and family, care responsibilities, and

salary history. Judging candidates on these topics can lead to the under-hiring of women. Instead, clear recruitment and hiring policies should focus on skills, competencies, and potential to perform the current role rather than only quantifying prior experience. Interview questions should be standardized, and hiring staff should be carefully trained on equitable hiring practices, including strategies for mitigating unconscious bias.

4) Collect regular monitoring data on recruitment and hiring and use data for policy-setting and decision-making. Gender-disaggregated data should be collected at regular intervals to track progress toward equitable hiring practices. Collect data on interview contracts provided, probationary periods, and turnover. Findings should be widely shared with key staff and used to set internal hiring policy, including targets and make decisions about future recruitment.

¹³³ Many of the gender inclusion opportunities here draw on earlier initiatives in the agriculture, energy, manufacturing, and tourism/hospitality sectors, much of which resulted for inclusive circularity investments. This guidance especially draws on gender-smart investing resources developed by ICRW's Advisory Practice from 2018-2023, through engagements with investors and private sector partners such as British International Investment, Private Infrastructure Development Group, Millennium Challenge Corporation, Nike, Amazon, USAID and PepsiCo.

¹³⁴ Key informant interview with SMI. "Goes look for the job on this specific categories where they're searching, searching for it, because they're not usually go[ing] on LinkedIn, right, so [...] I think we might need to open the channels."

¹⁸⁵ Gaucher, D, et al., 2011. Evidence That Gendered Wording in Job Advertisements Exists and Sustains Gender Inequality. Journal of Personality and Social Psychology, 101(1), 109-128. Accessed here.

¹³⁶ Del Carpio, L. and Fujiwara, T., 2023. Do Gender-Neutral Job Ads Promote Diversity? Accessed <u>here</u>.

¹⁵⁷ Key informant interview with SMI. "The the project in in every in every country and the other thing I was forgetting about this that we we're doing small things like trying to have a more inclusive language when we post our job openings. So not only in Kenya, in Kenya and we try to make sure that it is understood that is not specifically for men."

GENDER AND CIRCULARITY

2.2.2 Commit to workplace policies that protect and support women employees

Once women are recruited and hired, numerous factors could make them more likely than men to leave the workplace. Companies can adopt policies and practices that support women workers to improve parity in retention and foster a healthy, innovative, and collaborative workplace.



- 1) Establish fair pay and compensation procedures for permanent and temporary roles. These processes should include regular pay audits and gender gap assessments. Companies should also communicate pay structures clearly and transparently to all employees. All workers should be able to understand the complete pay package, including benefits; working hours, days and overtime; and bonuses, piecework pay, rest days and time off. Companies looking to establish circular models may require special attention as new jobs and pay structures are created.
- 2) Address gender-based violence and harassment. Workplace gender-based violence and sexual harassment (GBVH) can have profound implications for both individuals and the broader sustainability agenda. GBVH harms employee wellbeing, productivity, and retention, ultimately hindering efforts to advance circularity goals.

Companies must prioritize robust policies and practices for preventing and addressing GBVH in the workplace. They should create a stand-alone, zero-tolerance policy on GBVH, train all employees and managers to recognize

and respond to inappropriate behavior, establish clear reporting mechanisms, and ensure complaints are investigated and resolved.

- **3**) Accommodate workers' care responsibilities. Companies can foster a diverse and innovative workforce by supporting workers in their care responsibilities, including offering paid parental leave for all workers regardless of genderz providing childcare— either directly or through partnerships—and accommodating other care needs, including elders and other dependants. This also includes making any necessary accommodations for pregnant and nursing workers and facilitating return to work after childbirth, including retraining as needed.
- 4) Ensure workforce health, safety and well-being. All companies should provide healthcare coverage and policy in line with local law and international best practices. Healthcare, including any services provided onsite, should be as comprehensive as possible. It might include first-aid and emergency care as well as women's health, mental health, and preventative care. Workers should be able to seek healthcare services when needed, including by receiving paid time off.

5) Provide safe and reliable transportation and accommodation where needed. How do people get to and from work? What transport infrastructure do workers, particularly women, need if they work overnight or at times when public transportation is unreliable or unsafe?

If transportation or onsite accommodation is provided, it must be safe, affordable, reliable, and accessible in order to most effectively support women workers. At minimum, workers must be provided with safe and appropriate toilet facilities that include a sanitary way to manage menstruation.

6) Collect, analyze and act on gender-responsive worker voice data.

Companies should collect, analyze, and use gender-responsive worker voice data to understand if workers are aware of and satisfied with gender-responsive policies. By actively listening to and addressing the needs and concerns of all employees, particularly women, companies can create more inclusive workplaces. Additionally, investing in professional development and skill-building programs that intentionally include women is essential for fostering diversity and retaining talent.

2.2.3 Support women employees to advance into new roles

Besides recruiting and retaining women employees, companies can ensure that women are meaningfully engaged in men-dominated teams and in leadership positions, to reap the benefits of diversity in the workforce.

For example, functions like design, procurement, and sustainability play a pivotal role in driving circular innovation and strategy. Ensuring diversity and inclusion within these teams, including significant representation of women, is essential.

Women should not only have a seat at the table but also wield decision-making power to lend their unique perspectives to the development and delivery of circular products and services. This may require intentional recruitment and hiring at all levels, as well as ensuring that women in companies have access to advancement and promotion opportunities. Advancement opportunities should be focused on empowering women to take on leadership roles within sustainability teams and beyond ¹³⁸.

1) Create professional development and skill-building opportunities that intentionally include women

Circularity demands innovation and technological advancements to create circular systems and minimize waste. Ensuring that women have equal access to upskilling and advancement opportunities is crucial for driving innovation and maintaining competitiveness. This is particularly important in STEM fields, where women are grossly underrepresented and which may feel "unreachable" to them ¹³⁹.

To help women advance into decision-making roles, circular companies should invest in ongoing employee learning and skill-building in a way that is gender-intentional and addresses cultural- and gender-specific barriers ¹⁴⁰. Both technical skills and "soft" skills such as communication, decision-making and leadership development are essential for circularity.

Companies should conduct assessments to evaluate skills needs and training preferences, and tailor training based on the results. Training should be conducted during normal work hours, and/or compensated, and gender-disaggregated data should be collected to evaluate impact.

Case Study: Adelca

Adelca is leading the recycling, production and marketing of steel products in Ecuador, and has more than 60 years of experience and track record. Steel is primarily provided by SMEs, which account for 56% of Adelca's scrap suppliers. In order to enhance recyclers' wellbeing, Aldelca has established a "Recycler's Club," which currently has 168 members, of which 58 are women-owned. Members receive training and financial support on a wide range of topics such as business management, accounting and finance, occupational health and safety, national regulations, and corporate policies, among others. As recyclers move up in the Club's levels, they can opt for additional benefits such as electric carriages and mobile collection centers to facilitate the transportation of scarps.

Companies implementing similar programming may consider the following to ensure gender intentionality and inclusion:

- 1) Are women Recycler's Club members encouraged and supported to hold leadership or decision-making roles?
- 2) Do women have the opportunity to voice preferences and needs related to training topics and logistics?
- 3) Are training sessions conducted in a way that supports women's attendance and learning?
 - a. Are diverse learning styles and preferences accommodated and included?
 - **b.** Are sessions conducted in participants' native language? Are there literacy constraints?
 - **c**. Are sessions conducted at a convenient time and location for women's needs to enable them to participate?
 - **d.** Do participants have childcare or transportation constraints? Are these accommodated?
- **4)** Are training participants and Recycler's Club members paid or otherwise compensated for their time?
- 5) Is information about training sessions and other opportunities widely communicated?
- **6)** Is regular, gender-disaggregated feedback collected, analyzed, and used to drive decision-making and future planning?

¹³⁸ Interview with Base.

¹³⁹ Interview with Atacama.

¹⁴⁰ Interview with Base.

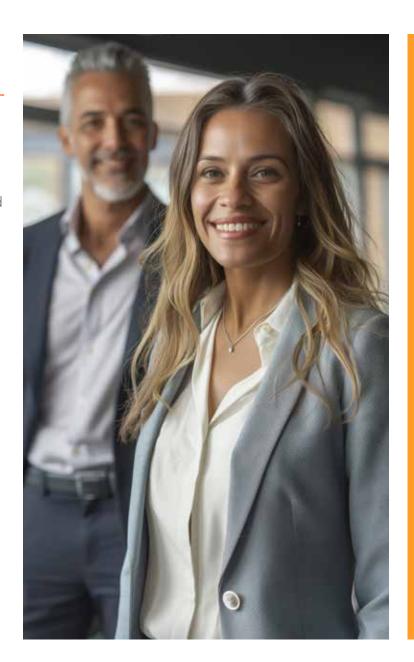
ENDER AND CIRCULARI

2) Center gender equity in employee evaluation and promotion practices

Finally, circular companies must ensure that standardized promotion criteria and practices result in equitable outcomes and are broadly communicated to the workforce. Skills development should translate into promotion and advancement. Diversity and gender leadership targets should also be set and communicated, and staff responsible for hiring and promotion

should be carefully trained to minimize

unconscious bias.





INDICATORS

- Presence and comprehensiveness of company commitments to gender equity, and Diversity, Equity and Inclusion (DEI).
- Number of collaborations with worker committees and other groups.
- Number of Professional Development (PD) and skills-building workshops held.
- Number of attendees in PD and skills-building workshops (women/men).
- Presence of standardized tools and criteria for evaluation and promotion.
- Presence of regular salary review and standardization processes.
- Number of workplaces GBVH incidents reported.
- Level of worker confidence in GBVH reporting mechanisms.
- Presence of parental leave policies.
- Number of workers using parental leave (women/men).
- Number and comprehensiveness of healthcare benefits provided.
- Presence and comprehensiveness of transportation, accommodation, and other on-site services.



2.3 - Consideration B: Promote gender-responsive procurement practices

Gender-responsive procurement refers to the consideration of gender-equity issues in the selection, sourcing, and purchasing of goods and services, including considering and dismantling barriers that women and womenowned vendors face ¹⁴¹. Purchasing companies can both intentionally choose to support women-owned vendors in their pursuit of circularity, and use their influence and buying power to influence potential vendors to adopt gender-equitable and safe work policies for women.

Good Practice example B1: How Natura engages bio-ingredient suppliers for sustainability, biodiversity and women's empowerment

For its Ekos line of vegan body care products, Brazilian cosmetics company Natura sources ingredients such as murumuru butter (from the seeds of a palm tree) and ucuuba butter (from the seeds of a local plant) from the Amazon.

To do this in ways that were sustainable for biodiversity, suppliers, and the business, Natura developed better payment terms: agreed contracts with shortened or more frequent payment terms that support the needs of families and small suppliers in the Amazon. It also structured payments to provide steady income throughout the year, even for seasonally harvested ingredients, and sited collection points and facilities nearer to suppliers for ease of transport and storage.

Natura's gender-responsive procurement measures included creating and improving opportunities for women to participate in the value chain. For instance, some heavier plants, fruit, or seeds are typically supplied by men who can carry these heavier loads. To empower women equitably, Natura developed fragrances based on floral essential oils, which created opportunities for women to cultivate and more easily transport essential oils and their source flowers.

2.3.1 Prioritize women-led and genderequitable vendors

Companies, particularly medium to large enterprises, must consider equity issues throughout their circular supply chains. In many industries, women tend to be clustered in the smallest companies and at the lowest rungs of supply chains. They may also be less wellconnected to larger companies and procurement opportunities.

As a result, companies must intentionally engage in gender-responsive procurement (GRP) strategies in order to achieve gender equity and unlock the potential of equitable business. Gender-equitable procurement benefits both **vendors and procurers.** For suppliers, it creates opportunities and incentivizes more equitable workplaces. For procuring organizations, it expands and diversifies the bidding pool 142, which can lead to better business outcomes and spur innovation, including circularity.

Procuring firms can reap the benefits of GRP by committing to two primary avenues:

- 1) Targeting women-led vendors: Firms can set targets to contract a share of women-led or majority women-led suppliers. In setting targets, firms should consider both the proportion by both • At least 51% ownership/stake held by one or number and value of contracts.
- 2) Adopting vendor eligibility criteria: Firms can establish eligibility criteria that require potential vendors to commit to basic principles of gender equity. These should include, at minimum, non-discrimination, pay equity, and anti-GBVH policies.
- 3) Create strategies to engage informal vendors: Women are also more likely than men to operate within the informal economy. Procurement policies that enable the engagement of groups or collectives can create more opportunities for women to participate.

Firms must first agree on an internal definition

for "women-led" and "gender equitable" **suppliers.** Minimum criteria for these designations may include 143, but are not limited to:

Women-led:

- more women and/or
- CEO, president, general manager, or other chief executive position is a woman

Gender-equitable:

- Anti-discrimination policy in place and
- Pay equity policy in place and
- Anti-GBVH policy in place

Based on these two strategies, firms can also establish a "preferred vendor" list that prequalifies vendors who meet established criteria. Firms can then develop more favorable terms for contracting with preferred vendors, including better pricing (e.g., 3-5% premium) on goods, and services purchased, streamlined due diligence

and extended accreditation periods. This reduces the burden of work for both procuring and vendor firms, increases the incentives for potential vendors to meet criteria, and maintains engagement with women-led and gender-equitable firms, offering a more stable, diversified supplier base 144,145.

Firms that have committed to GRP must regularly collect relevant gender-disaggregated data on procurement and refine or make decisions based on results.

Key indicators may include:

- # of preferred vendors (pre-qualifying womenowned/led or gender equitable).
- Share of bids or applicants that are women/ women-owned/led.
- Share of contracts to women-owned/led suppliers.
- Average daily rates or fee rates for womenowned/led vs. men-owned/led suppliers.
- Share of purchase volumes and/or category spend on women-owned/led suppliers.

¹⁴² Oxenbridge, S and Galea, N., 2020. Gender equitable procurement: Insight paper and guide, WGEA Commissioned Research Paper. Workplace Gender Equality. Accessed here,

¹⁴³ Buckland, L., et al., 2019. Gender Lens Investing: How Finance Can Accelerate Gender Equality in Latin America and the Caribbean. IBD Invest. Accessed here.

¹⁴⁴ Supply Chain Decarbonisation with a Gender Lens: Practical guidance for multinational companies planning Scope 3 emissions reductions, 2023. Work and Opportunities for Women. Accessed here,

¹⁴⁵ Requisitos para obtener el Sello Empresa Muier, ChileCompra, Accessed here.

2.3.2 Improve gender-equity in internal practices

Gender equity within firms' procurement teams is critical because of the power these teams wield over resources and decision-making. Diversity and inclusion within procurement teams are likely to lead to more gender-equitable procurement¹⁴⁶. Firms should therefore pay special attention to advancing gender equity within their procurement teams. This includes collecting gender-disaggregated data on procurement roles and seeking to engage and hire more women professionals in purchasing roles to achieve gender balance.

Firms should also embed their GRP targets into gender-related KPIs for purchasing roles to incentivize recruitment of womenled and/or gender-equitable suppliers and manage gender performance year on year. Furthermore, firms should seek to address risks of unconscious bias, quid pro quo transactions and other forms of GBVH within

the procurement team and in all procurement operations.

Firms can also adjust their purchasing practices to better accommodate more diverse potential vendors, particularly women-owned/led small or medium enterprises (WSMEs) and other firms where women may be clustered, such as small-scale and earlier-stage suppliers. Good practices include:

- 1) Unbundling requests for goods and services and issuing smaller tenders (in terms of both value and contract volumes) to enable and encourage bids from smaller supplier firms.
- 2) Structuring contracts to enable **up-front** payments.
- **3**) Offering **sufficient lead time** for bidders to develop proposals and extending expected completion dates as much as business operations allow.

- 4) Providing opportunities to ask questions and receive support during the process. Applicants should receive uniform information about the opportunity, including standardized interview processes and questions.
- **5**) Limiting the extent of **negotiation** permitted in contracting.
- 6) Intentionally **preferencing** women-owned/led **suppliers** if selecting between a men-led and women-owned/led firm, each proposing comparable quality and price points.
- **7**) Being timely in selection and offering **feedback** on failed bids.





2.3.3 Promote gender action with supply chain partners

Firms might consider supporting vendors to improve gender equity as an extension of internal Diversity, Equity, and Inclusion (DEI), fair labor, and sustainability practices. They can offer guidance on gender action, including the development and implementation of non-discrimination, pay equity, and anti-GBVH policies procedures. Procuring firms can also offer support to women vendors through upskilling opportunities, gender-

responsive workplace health and safety measures, and care resources for working parents and others.

Firms can also engage with cooperatives (coops), which can be a successful entry point for women workers and, therefore, a strategic partner for firms striving for gender equity. Firms can leverage the collective nature of cooperative models to benefit women, including by offering training and information. Moreover, large buyers sourcing from co-ops can act as references and/or guarantors for women co-op members seeking finance who cannot otherwise provide collateral ¹⁴⁷. Corporate or investor partnership with cooperatives can help lend credibility to what have traditionally been viewed as informal networks and provide security to women cooperative members ¹⁴⁸.

At the same time, cooperatives have been recognized as leaders in adopting circular business models and in supporting the workers within their value chains ¹⁴⁹. Cooperatives' focus on democratic decision-making, broad information, and knowledge sharing, intra- and inter-group collaboration, and sustainability make them excellent drivers of both gender equity and circularity ^{150,151}.

Formal engagement can also support gender

equity in cooperatives by loosening restrictive membership criteria, such as minimum landholding, collateral, or production capacity requirements and limitations on a number of household members who may join. Procuring firms can also give preference to cooperatives with gender-balanced leadership and bylaws. Similarly, firms should encourage vendors to work with intermediaries to support gender equity within the supply chain ¹⁵².

Procuring firms can also provide or subsidize supplier development programs to equip womenowned/led firms and cooperatives with better skills and fulfillment capacity, such as mentorship on proposal writing and record-keeping. Firms should then prioritize participating vendors as procurement opportunities arise and may consider offering more favorable pricing to further incentivize participation.

Finally, vendors should be connected to supply chain finance, whether formal finance or microfinance or informal options such as village savings and loan associations (VSLAs). This would allow WSMEs the working capital needed to staff and deliver on contracts.

GENDER AND CIRCULARITY

¹⁴⁷ Interview with Itaca Solutions.

¹⁴⁸ Interview with Circulate.

¹⁴⁹ Accelerate action to revamp production and consumption patterns: The circular economy, cooperatives and the social and solidarity economy, 2021. United Nations Department of Economic and Social Affairs. Accessed here,

¹⁵⁰ Accelerate action to revamp production and consumption patterns: The circular economy, cooperatives and the social and solidarity economy, 2021. United Nations Department of Economic and Social Affairs. Accessed here.

^{ISI} Cooperatives and the circular economy: Building a sustainable and thriving future, n.d. Global Innovation Coop Summit. Accessed <u>here.</u>

¹⁵² Interview with, Itaca Solutions

Good Practice Example B2: How plastics firm SMI takes steps to support and aggregate smaller vendors 153

In the plastic recycling value chain, waste pickers and small-scale plastic processors are often part of the informal economy. Moreover, many plastic aggregators and small-scale traders are women. While Latin American plastics company SMI seeks to work mainly with vendors in the formal economy, it recognizes that informality exists along the supply chain. SMI helps train these small-scale aggregators and traders to better sort waste plastics, which improves the quality of recycled material feedstocks and provides protective equipment such as gloves and clothing. It also connects small-scale vendors through cooperatives and networks. which can enable these vendors to access loans and financial products and help them grow their businesses.

Good practice Example B3: How do women-led cooperatives drive circularity, sustainability, and women's economic empowerment?

A cooperative, also known as a co-op, is an "autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs through a jointly owned democratically controlled enterprise" ¹⁵⁴.

Cooperatives are a familiar and long-standing model in many regions. Their structure may include:

- Enterprises owned and managed by the people who consume the business's goods or services.
- Enterprises through which producers pool their output for a common benefit.

How do co-ops advance a gender-inclusive circular economy?

Women's participation in cooperatives and collectives is growing ¹⁵⁵, as is the number of cooperatives with a social or environmental focus. Impact-driven cooperatives can act as powerful enablers of a gender-inclusive circular economy:

- Co-ops provide women across sectors communities of reciprocal learning and support, financial security, and power in numbers ^{156,157}. For instance, farmers in Nicaragua's DeLaFinca coffee cooperative, 60 percent of whom are women, share knowledge on how to upcycle agricultural waste into organic fertilizers for sale. By working with small-scale coffee producers, DeLaFinca also encourages women to take on roles like coffee roasting that have been traditionally held by men ¹⁵⁸.
- A small funding infusion can be an effective way to have significant impact on many women-owned circular businesses at once. For example, Peru-based Ccaccollo Women's Weaving Co-op is co-owned by 46 indigenous women artisans ¹⁵⁹. Outside funding enabled Ccaccollo to implement training programs, secure steady income for its members, and grow the artisans' businesses while maintaining traditional, circular production techniques.

¹⁵³ Interview with SMI

¹⁵⁴ Cooperative identity, values, and principles, n.d. International Cooperative Alliance. Accessed <u>here.</u>

¹⁵⁵ Global survey shows rising women's participation in cooperatives, 2015. International Labour Organization. Accessed <u>here</u>.

¹⁵⁶ Alecchi, A., 2022. Toward realizing the potential of Latin America's Women Entrepreneurs: an analysis of barriers and challenges. Latin American Research Review. Accessed here,

 $^{^{157}}$ Wiesen, C., 2022. The tactics to drive a gender-inclusive circular economy. UNDP. Accessed $\underline{\text{here}}$.

¹⁵⁸ Delafinca, n.d. Accessed here.

¹⁵⁹ Ccaccollo Women's Weaving Co-op. Accessed <u>here</u>.



2.4 - Consideration C: Promote gender equity through design

Gender-consciousness in product design is an effective way of promoting a gender-inclusive circular economy. Expanding the role of women in the design process can empower women designers, amplify previously undervalued knowledge, and better assess and address the needs of women consumers. Similarly, designing products with women in mind can boost sales and customer satisfaction within a large consumer segment. The following section outlines ways in which circular businesses in LAC can integrate women into the design process as well as better design for women consumers.

2.4.1 Design by and for women

Designing circular products and services by women and for women in LAC is a crucial step toward a gender-inclusive circular economy in the region.

For one, employing women's under-utilized skills

and knowledge in design processes can help advance women's economic and social positions. For another, involving women in design is of strategic importance to businesses. In LAC, 85% of women are involved in decision-making around household purchases ¹⁶⁰. Addressing women consumers' needs by bringing their perspectives into design, helps boost sales, customer satisfaction, and loyalty and captures a share of women's purchasing power.

Moreover, designing by and for women has tangible benefits to circularity. Products designed with the customer or end-user in mind are less likely to be prematurely discarded and more likely to be used for the complete duration of the product's lifespan. And importantly, by designing for the needs of women consumers, companies lay the groundwork for trusting relationships with their buyers, which increases the likelihood of the women consumer base continuing to choose circular goods over non-circular alternatives.



Designing by women

Integrate local and Indigenous design. Local and indigenous design practices in Latin America and the Caribbean are deeply rooted in circularity ¹⁶¹. Moreover, in local and Indigenous communities in LAC, women traditionally carry and pass down their community's knowledge and skills ¹⁶². Authentically and sensitively including indigenous and local women in product design not only diversifies the female design community but also places value on, and makes use of indigenous and local ways of sourcing, designing, and using goods in a circular way.

• **Example:** Fabrica Social ¹⁶³ is a Mexican textile and clothing design company operated by local and indigenous women. Originating as a design school aimed at providing the tools rural female artisans need to share their traditional goods and techniques, Fabrica Social describes itself as a "platform for the knowledge and work of artisans from Mexico." It now operates as a Fair-Trade certified marketplace, priding itself on its empowering and collaborative design approach and its zero-waste model. Fabrica Social makes traditional garments like the Huipil and Quexquemtl to demonstrate to consumers that it is possible to "wrap the body with canvases that do not need to be sheared or waste material."

Make room for women design leaders. Although women's representation in design teams is important for advancing a gender-inclusive circular economy, women designers must also fill leadership positions. When women lead the design process, women's perspectives are valued and drive design from ideation to execution. Diverse leadership is important when designing for circularity as it maximizes the number and quality of ideas and innovations, in turn ensuring the most effective product output.

• **Example:** Atacama Biomaterials ¹⁶⁴ is a Chilean women-founded regenerative plastics manufacturer. Centralizing women in the design process and guided by nature-based processes, Atacama Biomaterials reimagines plastic manufacturing by using diverse and local biomass to develop recyclable, zero-carbon, and consumer-friendly circular packaging solutions.

Develop training and empowerment programs for women designers. To fully integrate women into

the circular design processes, businesses can establish channels for knowledge-sharing and pathways for advancement. These can include:

- Training and upskilling sessions for women to learn design skills, ideally taught by women.
- Mentorship programs between lower-level or aspiring woman designers and woman design leaders.
- Woman-only workshops that encourage the sharing of knowledge, questions, concerns, and ideas in a safe and non-judgmental space.
- **Example:** The Resilient Women program ¹⁶⁵ founded by the city of Despeñaderos, Argentina, aims to collectively advance women's entrepreneurship, resilience, and circular economy. Targeted at women who have experienced gender-based violence, the program teaches women to make and sell products using waste materials. The project promotes social inclusion, advances circularity, trains women in circular product design, and provides a means for women's financial independence.

Creatively recruit women into design roles. Women might not be aware of the array of circular design roles available, or that these roles are open to them. To integrate women in circular design processes, businesses can expand and adapt their recruitment strategies to expose women to design professions. This can include:

- Writing job postings in gender-inclusive and approachable language.
- Locating where in the organization or supply chain most women are concentrated and establishing opportunities to transition into a design role.
- Actively engaging with women at universities, in extracurricular activities, or in other spaces where women future designers convene.
- **Example:** In 2023, researchers conducted a study of a group of Latin American women at a technology and coding bootcamp ¹⁶⁶. The researchers provided the women a set of fictional job ads, half of which were written in gender-neutral language, the other half in generic "masculine" language. When the women, unaware they were participating in a study, were asked to rate their propensity to apply to each position, the results demonstrated that they were more interested in applying to the roles with gender-inclusive language.

a How Indiaenous Communities in Chile can Inspire Global Action on the Circular Economy. Accessed here.

¹⁶² Celebrating and upholding Indigenous women – keepers of Indigenous scientific knowledge. Accessed <u>here</u>

¹⁶³ Fábrica Social. Accessed <u>here</u>.

¹⁶⁴ Atacama Biomaterials, n.d. Accessed here.

¹⁶⁵ Resilient Women Program, n.d. Global Covenant of Mayors for Climate and Energy in Latin America. Accessed <u>here</u>.

¹⁶⁶ Del Carpio, L., and Fujiwara, T., 2023. Gender-neutral job ads and diversity: experimental evidence from Latin America's tech sector. Accessed here.

Designing for women

Integrate gender-inclusive design criteria. Developing and implementing gender-inclusive design criteria for circular product and service design is an effective way to design for circularity with women in mind. Businesses can start by adapting circular design guidelines to address gender concerns simultaneously. For example, CIRCit's Circular Strategy Scanner ¹⁶⁷ can be adapted to address a product's gender inclusivity:

- **Reinvent:** Does the product or service need to be reinvented to adequately address the needs of women consumers?
- **Rethink and reconfigure:** In what ways can the product be reconsidered and reconfigured to be more gender-inclusive and user-friendly for women?
- **Restore, reduce, avoid:** In what ways can the product be made more durable so that women consumers can reduce their consumption over time and easily and cost-effectively repair the product if needed?
- **Recirculate:** How can the product or service be designed to be shared, reused, and recirculated among communities of women? How might the product meet the needs of a group or collective of women rather than be designed only for individual consumption?

Increase women's participation along entire value chains. Designing circular products and services for women requires incorporating women across entire value chains. Hiring women throughout the business, buying from women-owned and gender-equitable suppliers, and engaging women consumers through interactive marketing all contribute to designing gender-intentional products. Diverse gender involvement also helps ensure products are not only designed for the "male default" prototype, but rather reflect the diverse array of Latin American and Caribbean segments involved in its creation and ultimately consumption—including varying preferences by region, ethnicity, age, and other consumer background factors.

• **Example:** Daravi Fabrica ¹⁶⁸ is an Argentinian manufacturing company that employs and empowers women to create personalized circular products, from tote bags to gardening pots, using waste materials. More than 70 women participate in the design and manufacturing process. Daravi

harvests industrial waste, designs products that meet its corporate clients' needs, reuses materials throughout production and distribution, employs and engages women from surrounding communities, and packages and distributes with circularity in mind. Leveraging its unique business model, Daravi also educates corporate clients and universities on issues at the intersection of women's empowerment and circularity. To date, Daravi women have produced over 430,000 items using over 16,000kg of industrial waste material.

Educate women consumers on circularity. Storytelling is essential to ensure women consumers, who hold purchasing power in many product categories, choose circular products and services. Businesses can utilize storytelling techniques to educate women consumers on themes such as:

- The financial benefits of buying circular: e.g., less money spent over time due to product longevity.
- The health benefits of circular products: e.g., circular products can design out human health hazards such as pollutants and pesticides ¹⁶⁹.
- Making clear the well-being benefits of circular goods and services: e.g., circular products are often higher quality and last longer.
- Clearly displaying disposal instructions on product packaging so women consumers feel empowered to contribute to the circular economy.
- Educating consumers on the links between waste, environmental degradation, personal and household finances, and health and well-being.
- **Example:** Natura ¹⁷⁰, a Brazilian cosmetics company, is addressing consumer buy-in challenges by educating consumers on the value of circularity. Since implementing its new circular packaging, Natura is facing difficulties with consumer buy-in; recyclable packaging tends to be seen by its largely female consumer base as less "clean" and less "aesthetically pleasing". To address this challenge, Natura is employing women as ambassadors in major cities across LAC to educate consumers about circularity and its importance. Natura's work underscores that, even when products are specifically designed for women, it is critical for consumers to understand and value circularity to actively purchase circular goods.

[🛿] Shahbazi, S, and Jönbrink, A., 2020. Design Guidelines to Develop Circular Products: Action Research on Nordic Industry. Accessed here.

¹⁶⁸ Davari, n.d. Accessed here.

¹⁶⁹ The circular economy in detail, n.d. Ellen MacArthur Foundation. Accessed here

¹⁷⁰ Interview with Natura.



2.5 - Consideration D: Promote gender-responsive financing models

Gender-responsive financing models are imperative for funding and growing a genderinclusive circular economy across Latin America and the Caribbean. By tailoring financial instruments to address women's needs and challenges, gender-responsive financing models help advance gender equity and dismantle the systemic barriers that women face. Research shows that women-led enterprises often demonstrate a greater inclination toward sustainable and circular business models ¹⁷¹, yet they are also more likely to encounter barriers in accessing capital, business literacy training, and other third-party support 172. Gender-responsive financing bridges this gap by providing tailored funding to circular businesses run or owned by women, as well as directing capital toward circular businesses that care for women along their supply chains, from suppliers to

employees, to consumers.

This section presents guidance for investors eager to financially support gender-inclusive circular businesses in LAC. However, circular businesses can also find value in the following guidance by learning what gender-equitable practices cater to the criteria of financiers and how to successfully implement them.

2.5.1 Establish and adopt gender criteria for investing in circular businesses

By incorporating gender criteria into investee screening processes, investors can quickly take stock of the degree to which a circular business supports and empowers women suppliers, employees, and consumers. Investors must understand that gender-conscious investments in circular businesses are commercially smart and socially impactful; gender-diverse teams and leadership enhance both innovation and financial performance ^{173,174,175}.

Investors can follow existing gender-based investment criteria, such as those developed by 2X Challenge ¹⁷⁶, Gender Lens Investing Initiative ¹⁷⁷ and Value for Women ¹⁷⁸, or develop and implement their own. Existing criteria are largely catered toward climate finance, so investors in circularity must integrate an intentionally circular lens (e.g., what defines a circular business, if the business has public circularity targets, whether the company's product is using circular materials, etc.).

Gender investment criteria may include:

- Entrepreneurship: What percentage of the organization is owned by women? Is the business women-founded?
- Leadership: What percentage of the board or C-suite is composed of women?
- Employment: What proportion of the workforce do women comprise?
- Consumption: To what extent are products and services designed for and catered to women?
- Procurement: What percentage of suppliers are women-owned or women-led?
- Mission and vision: the extent to which the mission and vision of the organization are focused on the advancement of women.
- Culture: the extent to which the organization's culture benefits and supports women.

¹⁷¹ Falkstedt, M., 2021. Where climate and gender collide. European Investment Bank. Accessed <u>here</u>.

¹⁷² Alecchi, A., 2022. Toward realizing the potential of Latin America's Women Entrepreneurs: an analysis of barriers and challenges. Latin American Research Review. Accessed here.

¹⁷³ Ferrary, M., 2022. Gender diversity and firm performance: when diversity at middle management and staff levels matter. Accessed <u>here.</u>
¹⁷⁴ Levine, S. 2020. Diversity confirmed to boost innovation and financial results. Forbes. Accessed <u>here.</u>

¹⁷⁵ See 2x Global for more resources and information on getting started.

¹⁷⁶ 2x Global Challenge, n.d. 2x Global. Accessed <u>here</u>.

¹⁷⁷ Gender Lens Investing Initiative, n.d. GIIN. Accessed <u>here.</u>

¹⁷⁸ How to invest with a gender lens, 2020. Value for Women. Accessed <u>here</u>.

2.5.2 Tailor financial products for women entrepreneurs

Gearing financial products toward women when investing in circular businesses is an effective way to promote a gender-inclusive circular economy. Despite the critical role women play in the circular economy in LAC, there remains a lack of women in managerial and leadership positions at circular businesses 179. Tailored solutions can increase women entrepreneurs' access to finance. This, in turn, bridges gender gaps in access to capital, formalizes the role of women in driving circular economies, and makes visible women in circular value chains. Financial products targeted at women empower women as well as accelerate the transition toward a resilient and inclusive circular economy.

Facilitate access to finance across entire circular value chains

Value chain financing is defined as "the flow of funds to and among the various links within a value chain" 180.

In a circular model, how does value chain financing advance a gender-inclusive circular economy?

- It improves the efficiency of a value chain.
- It increases the linkages between participants in the value chain.
- It is an effective way to find and fund a range of women entrepreneurs throughout a supply chain, particularly those who are normally overlooked 181,182.
- It strengthens the resilience of a value chain by identifying the areas most in need of financing 183.

By tailoring financial products to the needs of recipients and solidifying the relationships between all members of the chain, value chain financing can benefit both women and circularity. • Often guaranteeing high returns for the

Invest in gender bonds

What are gender bonds?

Gender bonds are a type of debt security sold to investors, the proceeds of which "support the advancement, empowerment, and equality of women" 184,185. As social-impact bonds, gender bonds typically do not include circular economy actions in their use of proceeds; however, they can be designed with a specific circularity lens to channel proceeds to circular economy businesses owned or led by women. Complementary to gender bonds, there is an array of impactdriven bonds that target intersecting social and environmental issues.

How does investing in gender bonds advance a gender-inclusive circular economy?

- investor, gender bonds are a meaningful and efficient way to channel funding directly to women entrepreneurs.
- The issuer of gender bonds dictates where the capital is most needed, often ensuring the highest possible impact.
- Gender bonds allocate funding to niches that might not otherwise have access to capital. While a "gender and circularity bond" has yet to be established, there is strong potential for this niche.
- **Example:** In 2022, Ecuador-based Banco Pichincha issued a USD 100m gender bond aimed at directly supporting over 10,000 women-owned SMEs in the region ¹⁸⁶.

¹⁷⁹ Interview with Circulate Capital

¹⁸⁰ Miller, C., and Jones, L., 2010. Agricultural Value Chain Finance: tools and lessons. Food and Agriculture Organization of the United Nations. Accessed here

¹⁸¹ Interview with Itaca Solutions.

¹⁸² Interview with BASE

¹⁸³ Miller, C., and Jones, L., 2010. Agricultural Value Chain Finance: tools and lessons. Food and Agriculture Organization of the United Nations. Accessed here.

¹⁸⁶ 2X Climate Finance Taskforce: financial instruments that integrate a gender and/or climate lens, n.d. 2X. Accessed <u>here</u>.

¹⁸⁵ Gender bonds: scoping study summary, 2020. FSD Africa. Accessed <u>here.</u>

¹⁸⁶ The Growing Trend of Gender Bonds in 2022, 2022. Dechert. Accessed <u>here</u>.

Lower the barriers-to-entry for women seeking finance

What does it mean to lower the barrier to entry?

Lowering the barrier to entry for women entrepreneurs seeking capital requires investors to educate themselves on, and subsequently minimize, the challenges and blockers women face when seeking and securing investment. It entails:

- Creatively targeting capital toward women.
- Organizing training and education for women to gain the knowledge, skills, and resources needed to access capital.
- Adopting flexible financing models (e.g., lowering interest rates for women) 187.

How does lowering the barrier to entry advance a gender-inclusive circular economy?

 Easing access to finance for women-owned and -led circular businesses directly advances

- the growth and resilience of a gender-inclusive circular economy in LAC.
- To holistically lower the barrier to entry and advance a gender-inclusive circular economy, investors must fund sectors that traditionally receive less funding for circular innovation. For example, funding for circularity is largely channeled toward technological innovation ¹⁸⁸, an industry that also happens to be mendominated ¹⁸⁹. While increasing women's participation in tech sectors is critical, it is also necessary to place value on sectors such as services and education ¹⁹⁰. Placing financial value on these sectors not only channels finance to more women but also legitimizes these sectors' role in building a gender-inclusive circular economy.

2.5.3 Incentivize gender action among businesses

Incentivizing circular businesses to integrate equitable policies and practices is another effective way for investors to support a gender-inclusive circular economy in LAC. Offering incentives to investees can motivate and

Technological literacy training

E.g.: organize training programs and workshops for people at all levels of the organization focused on industry-relevant tech tools and trends ranging from software to cyber-security to digital marketing.

Business literacy training

E.g.: implement knowledgesharing platforms for employees across the business to share and learn businessrelated skills and best practices, including business development, operations skills, entrepreneurialism, market research, local regulations, and more.

Financial literacy training

E.g.: create mentorship programs between investors and investees to help investees better understand financial statements, balance sheets, reporting processes, revenue generation strategies, and risk management.

Training on accessing finance

E.g.: organize workshops that teach employees how to write effective funding proposals, so they are equipped to continue securing finance in the future.

* Tailor bonus assistance toward women employees

to maximize women's ability to participate in and reap the benefits of training:

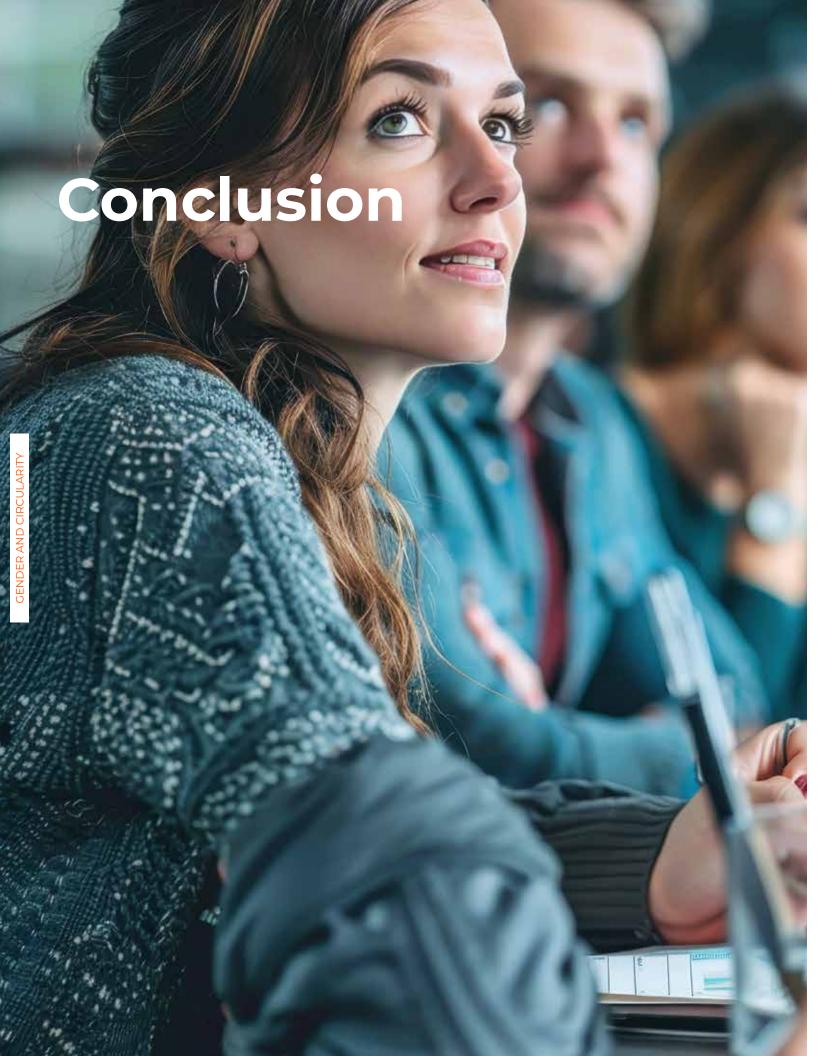
- Offer women-only training sessions or mentorships so women employees feel safe and confident.
- Schedule sessions within the working day to avoid losing women's participation to out-of-hours household responsibilities.
- If training must occur outside working hours, compensate employees and offer childcare solutions for the hours spent at the training.
- Incorporate discussions on genderspecific issues at the trainings so women's perspectives and experiences are acknowledged and valued.

¹⁸⁷ Acevedo, M., et al., 2022. Reigniting women-led businesses in the Caribbean with better access to finance. IDB Invest. Accessed here.

¹⁸⁸ Lawlor, E., and Spratt, S., 2021. Circular Investment: a review of global spending and barriers to increasing it. Just Economics and Chatham House. Accessed here.

¹⁸⁹ Palmer, I, 2023. Is the circular economy prejudiced? WRAP. Accessed <u>here</u>.

¹⁹⁰ Interview with Itaca Solutions.



The guidance, recommendations, and best practices illustrated here present a way forward for companies to embrace a gender lens in circularity. That firms, particularly those in LAC, are just beginning to embark on the circular transition presents a multifaceted opportunity to simultaneously foster inclusivity, sustainability, and innovation.

Companies can implement a gender-inclusive approach to circularity through several key steps. Broadly, they should map gender and circularity within their regional economies, including gender representation and circular business models and opportunities, to understand and act effectively in their local contexts.

Companies can act throughout their value chains. Internally, companies can support women employees and contractors by establishing equitable workplace policies and providing fair recruitment and advancement opportunities. Gender-responsive procurement practices, such as sourcing from women-led or owned suppliers and promoting gender equity within procurement teams, help improve equity across supply chains.

Additionally, gender-inclusive circularity can be advanced through design processes by creating products designed by and benefiting women, increasing women's participation in design teams and value chains, and educating women consumers on the importance of purchasing circular goods. These are accessible and effective areas of focus for companies across the LAC region eager to implement gender-inclusive circularity.

There remain, however, ample opportunities for further research in this burgeoning field. As strategies for the just transition are implemented and tested, future investigations should seek to understand and measure the social and economic impacts of gender-inclusive circular practices. Researchers, evaluators, and practitioners should explore how such practices intersect with cultural and regional disparities. Longitudinal studies can also address the medium- and long-term effectiveness of gender-intentional strategies in promoting sustainability and profitability. Additionally, as companies begin implementing these strategies, more in-depth case studies can provide valuable insights into the gains and challenges they experience as they navigate the intersection of gender, diversity, and circularity. By continuing to expand our understanding of this complex intersection, research can drive and refine evidence-based policies and practices to achieve positive change.

By acknowledging, addressing, and transforming gender disparities, businesses can unlock untapped potential, enhance social impact, and drive economic growth. By implementing the practices and policies outlined here, companies can navigate the complexities of gender dynamics and position themselves as leaders promoting diversity and equity, as well as environmental stewardship. As we move forward toward a just transition, companies must integrate an intentional, thoughtful gender perspective in their circular strategies to foster a more resilient, equitable, and prosperous economy.











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