



HOW GREENING THE ECONOMY CAN FOSTER INCLUSIVITY AND BOOST INCOME AND EMPLOYMENT OPPORTUNITIES

BACKGROUND

As a society, we are experiencing unprecedented change in the way we work and live, with technological advancements and globalization transforming the nature of work and the labor market. At the same time, climate change poses an urgent threat to our planet, requiring a transition to a green economy that is inclusive. **RECONOMY has been supporting the Eastern Partnership (EaP) region and the Western Balkans since 2020, to make this transition a reality.**

Inclusive green economy is an economic model that emphasizes the need to incorporate environmental and social considerations into economic development strategies. It recognizes that economic growth is not sustainable if it comes at the expense of natural resources or social equity. Instead, it seeks to promote resource efficiency and sustainability, while also improving human well-being and reducing inequality. Inclusive green economy helps to create new jobs, reduce poverty, and promote social equity. Simultaneously, it can help to protect ecosystems and reduce greenhouse gas emissions, thus mitigating the impacts of climate change. By promoting resource efficiency, social equity, and environmental sustainability, it offers a pathway to a more just and sustainable future.

Green economy is a multifaceted concept. At its core, green economy involves the production and consumption of goods and services that have a lower impact on the environment, such as **renewable energy**, sustainable agriculture, and clean technology. It also involves the **efficient use of resources** and the **reduction of waste** and pollution.

Renewable energy and energy efficiency have become increasingly significant components of the inclusive green economy worldwide. Countries of the EaP region do have considerable renewable energy

potential. However, they face significant challenges to make their energy sectors sustainable and create more economic opportunities. **RECONOMY is helping to address these challenges in the three EaP countries—Armenia, Azerbaijan, and Georgia—in the quest for a green economy that is inclusive and sustainable.**

Another way to foster an inclusive green economy is through effective waste management. [Municipal waste is growing](#) in the Western Balkans. Improper waste management leads to environmental pollution. The Western Balkans [still heavily rely on land-filling](#). There has been little progress in recycling, and significant amounts of waste are dumped illegally. In order to achieve an effective waste management system, several obstacles need to be overcome.

RECONOMY piloted an intervention in North Macedonia to improve waste management by increasing the role of non-formal waste collectors.

RECONOMY is an inclusive and green economic development program of the Swedish International Development Cooperation Agency (Sida), implemented by HELVETAS Swiss Intercooperation (Helvetas) in partnership with local and regional organizations in the EaP and the Western Balkan countries. RECONOMY stands for “starting afresh,” which refers to its role in revitalizing the developing economies in the two regions.

The goal of RECONOMY is to enable women and youth, including the most disadvantaged and excluded, to benefit from economic opportunities by increasing their income and taking up decent and green jobs, inclusively and sustainably. To accomplish this goal, RECONOMY works along three workstreams:

Services:	Competencies:	Influences:
When businesses embrace the new or better services facilitated by RECONOMY, it is expected that their investment and growth would increase as a result, making the private sector more competitive. These changes on the demand side, however, are insufficient.	Competencies of the labor force are required, as is the ability to join companies or launch one's own economic endeavors. These come from inclusive, affordable, and demand-driven skills and intermediation services and support systems, leading to the employability and mobility of women and youth.	Further, businesses benefit from an enabling environment that is tailored to their industry or company, as it influences their productivity and spurs them to do business in a better way.

APPROACH OF RECONOMY



RECONOMY has used the inclusive systems approach—also known as the Market Systems Development (MSD) approach—to build initiatives that fit a specific country while examining how these can be adapted to other countries in the region, as opposed to choosing a one-size-fits-all strategy. To effectively implement its activities, RECONOMY relies on creating partnerships to generate significant and sustainable results.

RECONOMY's contribution to the regional value addition focuses on three areas:

➤ **Thematic focus.** In response to the dynamic nature of the new reality, especially upon the outbreak of the COVID-19 pandemic, RECONOMY evaluates concepts and initiatives that foster collaboration and quick learning. The program addresses common challenges and leverages common opportunities to benefit more than one country.

➤ **Institutional focus.** RECONOMY aims to serve as a multi-stakeholder initiative by bringing together and creating synergies among private-sector enterprises, public-sector institutions, academia, and civil society organizations. To support improvements in all systems and for all target groups, RECONOMY focuses on cross-cutting sectors and engages stakeholders that can anchor the common challenges and opportunities.

➤ **Territorial focus.** RECONOMY cooperates with local partners to develop innovative ideas and harness diversity to put forward initiatives with high potential for regional replication. The target groups of the program live in different countries and hence RECONOMY needs to check if the thematic issues in the different countries are relevant and feasible for stakeholders to play a role.

III
ECO-INNOVATION AND ECONOMIC OPPORTUNITIES
THROUGH WASTE MANAGEMENT IN NORTH MACEDONIA

Rapid urbanization and population growth strain waste management. As human consumption increases, waste generation also increases. In North Macedonia, waste volumes are rising as the economy grows. There is no separate primary collection system in the country. Most waste is disposed of at landfills that do not comply with European Union (EU) standards. In 2019, waste reached 916,000 tons and only 0.3% was recycled. Recycling of municipal waste is done primarily by informal waste pickers, who collect it from dumps and bins. There are approximately 4,500 recycling collectors in North Macedonia, including around 1,500 in Skopje alone, with a large majority of them Roma. There are no viable measures for supporting the recycling industry in the country. Separation of waste at home is not possible, since central institutions have not developed an effective system for charging for amounts and types of waste produced.

During the last decade, North Macedonia has made efforts on improving its waste management system. However, the following issues hinder the development of effective waste management systems. **The first problem is the lack of efficient waste collection, transportation, and storage.** Households collect their waste in one bin, which is then emptied into street containers. Trash is then transported to a landfill and dumped on the ground there by municipal utility vehicles. **The second issue is that there is relatively little public participation and awareness of the importance of waste management.** A substantial part of the population does not seem to support or feel responsible for waste management and its effects. **The third problem is that there are no established institutional**

or regulatory structures to encourage waste separation and recycling. These factors have led to a worsening recycling situation. Overall, recycling is declining while waste collection has been rising steadily in the country.

To address these challenges in North Macedonia, RECONOMY facilitated the design and implementation of a pilot intervention entitled “Eco-innovation and economic opportunities through waste management”. To implement this intervention, Helvetas partnered with REDI Recycling. REDI Recycling was established in 2020 and launched its activities in 2021 as a social enterprise. The organization’s mission is to organize and formalize the informal waste collectors while establishing a system for primary waste separation in buildings and companies.

This intervention adopted a process-driven approach, starting with the support of REDI Recycling, a social enterprise that empowers marginalized groups through waste collection. During the implementation phase, RECONOMY collected data for advocacy and scaling-up efforts. This scaling-up process is crucial for North Macedonia’s waste management sector revitalization. As the project progressed, RECONOMY explored the idea of linking waste collectors and hubs. This was to support freelancing opportunities, collaboration on start-up ideas, and innovation utilizing recycled materials.

To address the above-stated challenges and support the improvement of an effective waste management system, RECONOMY has provided the following support to REDI Recycling:





One of the five waste collectors hired by REDI Recycling was Bajram.

As one of five waste collectors at REDI Recycling in North Macedonia, Bajram was able to formalize his employment. Bajram established a regular working routine at REDI Recycling. He prepared himself every morning before he began his familiar route at the mustering point. On his electric tricycle, Bajram collected and sorted waste from buildings in Skopje and disposed of it for recycling. As part of the ongoing awareness campaign in Skopje, residents are being made aware of the importance of waste segregation at the source, as well as the waste collectors that work to provide selective collection services. With REDI Recycling, Bajram had become a formalized waste collector, becoming visible to the system and obtaining social and health benefits. Every day, Bajram worked for a total of eight hours and earned a decent salary for his family. Before joining REDI Recycling, he sometimes worked more than ten hours a day and sometimes five hours, without a guarantee of getting a decent salary at the end of the month. After working with REDI Recycling for more than a year, Bajram had the opportunity to move up to a better-paying job with another organization.

1. Training courses on waste collection for informal waste pickers.

The REDI Recycling team implements innovative and sustainable solutions to achieve its social mission by utilizing entrepreneurial strategies. REDI Recycling promotes opportunities in Roma communities. After applying and joining this RECONOMY-supported initiative, participants are offered training, followed by formal employment at REDI Recycling. To sustain its daily operations, REDI Recycling sells waste collected by formal collectors. This is how the business model of REDI Recycling works in general.

More specifically, with the support of RECONOMY, REDI Recycling developed a training course that covered all the technical and theoretical aspects of formal waste collection process while taking care to ensure waste pickers' safety. There were 7 people who were thoroughly trained, all from the Roma community. They now have the proper infrastructure and transportation to escort the separated waste, unlike before. Furthermore, their formal jobs were better paid, giving them and their families a better quality of life. By becoming formal employees, those informal collectors gained access to health and social insurance. The collectors that joined the initiative are working under the license of REDI Recycling which is issued by the Ministry of Environment in North Macedonia. Then, REDI Recycling hired five informal waste pickers and turned them into formal waste pickers. Now, employees of REDI Recycling have access to the company's containers. In this way, they are able to collect a predictable amount of waste and ensure a sustainable income. The RECONOMY support also enabled REDI Recycling to provide the waste collectors with adequate equipment to ensure a safe and dignified working environment. Therefore, they are able to sustain their current business, while improving their job satisfaction rate and social status at the same time.

2. Providing the right infrastructure for waste collection.

RECONOMY supported REDI Recycling to secure the proper transportation infrastructure through the acquisition of ten electric tricycles to collect waste. Five trained waste collectors have used these tricycles and additional are being trained to start their formal employment as waste collectors. REDI Recycling was also supported by RECONOMY by purchasing 1,500 waste bins that were used to separate waste from families. A total of 1000 waste bins have been placed around 300 buildings in Skopje.

3. Cooperation with the local government.

REDI Recycling has established contact with some municipalities that are providing waste management space on their premises. Three municipalities are currently supporting the RECONOMY initiative.

As a result of the RECONOMY support, REDI Recycling has been able to attract international donors and other local actors for a variety of initiatives regarding waste management in North Macedonia. Further, REDI Recycling is well placed to advocate for changes with governmental institutions. Now, REDI Recycling is exploring the possibility of regionalizing its initiatives with the support of RECONOMY (Albania, Kosovo, and Serbia), a problem prevalent across the Western Balkan region that relates to waste management and non-sustainable informal work by disadvantaged communities. In sum, with the support of RECONOMY, REDI Recycling has set the ground for developing a sustainable model for formalizing waste collection in North Macedonia and with huge potential for replicating such a model in the rest of the Western Balkan region.

4. Developing an awareness-raising campaign.

As part of the effort, RECONOMY assisted REDI Recycling in developing a three-layered awareness-raising campaign.

First, REDI Recycling developed some motivational and inspirational [videos](#) to encourage families to join the REDI Recycling effort in separating waste. In this video, REDI Recycling encouraged families to separate waste to provide support to Roma waste collectors who are vulnerable. A total of 518 families responded to this call. At the beginning, REDI worked with 300 families. Prior to that, households did not separate their waste.

Neda, the coordinator of her building, says that this is not an easy process, especially in changing families' mindset for waste separation. Her building, which includes 18 families, joined this initiative a year ago and now they all separate paper and plastic waste into cartoon containers. Initially, Neda emphasizes that there was a very low level of aware-

ness and information on how to separate waste into these two different containers. In one year since this initiative began, awareness has grown and this is very positive. Making waste separation a priority wasn't easy for families. There were two aspects of the story that helped her make it work in her building. First of all, REDI Recycling has brought containers right at the entrance of the building, which makes it quite convenient for families to dispose of their separated waste there, whereas the larger containers are farther away. The second reason is that REDI Recycling has been able to tell the great story behind this initiative. Through its advocacy campaign, REDI Recycling has highlighted how society, by separating waste, is now supporting this initiative that employs people from vulnerable and disadvantaged communities to work as formal collectors, thus allowing them to earn a decent living.

Second, REDI Recycling also developed informational [videos](#) with the support of RECONOMY on how to effectively separate waste at home.

Third, REDI Recycling was also supported by RECONOMY in designing workshops targeted at primary school students.

In particular, REDI Recycling collaborated with a non-governmental organization called GoGreen, which developed workshops for 200 children in nine primary schools in Skopje on how to separate waste. The development of these workshops aligns with REDI Recycling's overarching mission to foster awareness and promote waste separation among younger generations.

As part of the activities, children were taught the importance of waste separation and recycling for a cleaner environment. Teaching children about waste separation at an early age fosters a lifelong commitment to sustainable practices, empowers them to be responsible global citizens, and plays a crucial role in building a more environmentally conscious and sustainable future.



IV.

ENERGY TRANSITION FOR INCOME AND EMPLOYMENT IN ARMENIA, AZERBAIJAN, AND GEORGIA



Armenia, Azerbaijan, and Georgia are undergoing an energy transition, driven by the need to remain competitive and attractive to investors in regional and global markets.

Georgia's [energy supply security and sustainability have improved significantly](#). There have been significant reforms in the country's legal and institutional framework to align its energy sector with EU regulations for electricity and gas markets, security of supply, renewable energy, and energy efficiency. These regulations aim to reduce energy consumption, improve the energy performance of buildings, and enhance energy efficiency across different sectors of the economy. There have been significant improvements in **Armenia's** energy statistics, energy efficiency, and renewable energy development. In January 2021, the [government approved](#) the Energy Sector Development Strategic Programme that lays out a roadmap for the sector's development through 2040. Energy efficiency and renewable energy are top government priorities, as well as increasing interconnections with neighbouring countries and liberalizing the domestic electricity market gradually. The renewable energy and energy efficiency potential of **Azerbaijan** remains [largely untapped](#). The government has drafted several laws to unlock this potential. The enhanced efficiency and substitution of renewable energy in the

oil and gas sector have the potential to enable the exportation of these resources at significantly higher prices or their conversion into petrochemicals with greater value-added.

In general, the South Caucasus countries have a great deal of [potential for renewable energy](#) and for improving energy efficiency.

With all of these developments in the process, there will be many new jobs created related to energy efficiency measures and renewable energy production. In order to meet all legislative requirements and specifications, a new skilled workforce will be needed. There is a shortage of skilled workers in the South Caucasus at present and this has been highlighted as one of the greatest impediments of further positive developments of the energy sector. More specifically, the four related concerns are:

First, professionals with the necessary skills to implement energy efficiency, green engineering, and green construction projects are in short supply.

Second, there are no relevant training programs and certifications for young people seeking employment in the energy, construction, renewable energy, and energy efficiency sectors.



Third, youth have a low awareness and interest in energy efficiency, renewable energy, and construction careers.

Lastly, vocational colleges and the private sector do not cooperate well.

To address these challenges, RECONOMY has facilitated the design and implementation of the pilot the intervention “Energy transition for income and employment”. Helvetas worked with the Energy Efficiency Center Georgia (EECG) as an implementing partner to facilitate the implementation of this pilot intervention. EECG established in 1998 with the following objectives: (i) Promote the use of renewable energy and energy efficiency for sustainable development; (ii) Make civil society and decision-makers aware of the possibilities for renewable energy and energy efficiency, as well as how to produce and consume energy in a way that is environmentally friendly and economically sound.

RECONOMY addressed these concerns in the following ways.

First, facilitate training sessions for selected young practitioners to acquire the necessary knowledge and skills for the installation of modern energy-efficient windows and doors.

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At the outset of the intervention, the EECG conducted a mapping in three countries to identify the most prominent actors from educational institutions and the private sector to build and deliver the training. RECONOMY facilitated the organization of a series of training in South Caucasus. As for **Georgia**, EECG supported the Vocational Education and Training (VET) school SPECTRI and the other one CONSTRUCT2 to develop and deliver training courses on PVC window/door installation and energy efficiency. The development and delivery of this training were done by WinArt LLC.



In **Azerbaijan**, a cooperation with the Azerbaijan University of Architecture and Construction and KNAUF was established, with RECONOMY support. EEG facilitated the organization of the first series of theoretical and practical training on building envelope insulation. Currently, 45 trainees have been certified, including four women. In **Armenia**, a cooperation with Ferti (informal training provider) and Rubinar LLC (business) was developed with the support of RECONOMY. EEG facilitated the development of theoretical and practical training on solar thermal system installation.

As a result of these trainings, 201 people have gained employment and improved their incomes. With all that said, the RECONOMY program has facilitated a collaboration between these schools and universities, which did not exist before on the topic of energy efficiency. Additionally, businesses are collaborating with professors to develop tailored courses based on demand and supporting practical training by providing know-how and on-the-job training. Now that the private sector has access to more skilled labor, this collaboration between supply and demand will continue.

Second, increase awareness of the importance of installing energy-efficient windows and doors to improve the quality of life of building occupants and to improve energy efficiency.

RECONOMY facilitated a capillary and context-based awareness campaign on energy efficiency. In Georgia, a promotional video on energy-efficient windows and doors was prepared. In Azerbaijan, four short videos on building envelope insulation were produced. In Armenia, three short videos were developed on solar thermal system installation. These awareness raising videos have reached an audience of over 165,000 individuals. This RECONOMY-supported activity is contributing to the awareness raising on the importance of energy-efficient windows and doors. It not only improves the quality of life for building occupants and enhances energy efficiency but also fosters a sustainability culture. It encourages mind-set shifts, behavioral changes, education and knowledge sharing, community engagement, policy support, and the establishment of sustainable norms. By embracing these values, citizens collectively contribute to a greener and more sustainable future.

Energy efficiency and renewable energy offer a path toward a sustainable and inclusive green economy that prioritizes social equity, economic prosperity, and environmental sustainability. RECONOMY is closely working with partners in the EaP countries to move this process forward.

KEY TAKEAWAYS AND CONCLUSIONS !



The transition to an inclusive green economy is a complex and multifaceted process that requires collective efforts at many levels, including stimulating sustainable lifestyles, scaling up sustainable consumption and production, and encouraging green entrepreneurship, through the advancement of eco-innovations, the facilitation of resource efficiency, and the mainstreaming of green consumer behaviour. During the process of change, new green

jobs will be created and a substantial reduction of waste and other forms of pollution will be achieved. RECONOMY, as an inclusive and green economic development program, has been supporting partners across the EaP and the Western Balkan regions in their efforts to achieve a sustainable and inclusive future. In the quest for an inclusive green economy, many challenges remain. However, support for a sustainable and inclusive future has never been greater.



RECONOMY

Revitalize Reconnect Reshape



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“Eco-innovation & economic opportunities through waste management” was a pilot intervention of RECONOMY during its inception phase, implemented by HELVETAS Swiss Intercooperation in the Western Balkan region. For more information about the pilot intervention, please contact Emilija Jovanova Stoilkova, Regional Manager Western Balkans: emilija.jovanova@helvetas.org.

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