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Submission to be considered in the update of the Assembly Document (Bali Action Plan) to the AWG-LCA

Poznan, 6 December 2008

The ILO welcomes the opportunity to express additional views and make suggestions for the update of the Assembly Document.

II A shared vision for long-term cooperative action

A. Scope, nature and elements of a shared vision for long-term cooperative action

- **On the scientific basis**

Climate change is not only an environmental issue. It has far reaching consequences for economies and societies. Numerous parties as well as the IPCC has recognized the lack of relevant socio-economic analysis to inform decisions under the Convention. In particular, climate change and related policies directly affect workers and enterprises in developing as well as industrialized countries with major repercussions on livelihoods, incomes and poverty. The agreed outcome should recognize this information gap and include provisions that implementation measures should be guided by adequate socio-economic analysis and monitoring of impacts, notably on enterprises, communities, employment and incomes.

- **On the nature of a shared vision**

The agreed outcome of the comprehensive process which is taking place at present should be guided by the principle of equity. Sustainable development is contingent on economic viability, the preservation of the environment and social justice. Equitable outcomes from long-term cooperative action should therefore include the right to sustainable development, contribute to overcoming poverty and to more cohesive societies with broad access to decent jobs and income opportunities. The framework which will guide future



International Labour Office

measures and investments should promote the creation of decent work, opportunities for quality employment and income.

Equitable social outcomes from measures to address climate change will be crucial for the long-term political stability of the climate regime. An uneven distribution of costs and benefits from climate policies in societies could lead to political backlash, slowing down or even rendering the implementation of a new agreement impossible.

- **On the scope of a shared vision**

The shared vision should help to understand the practical implications of addressing climate change for sustainable development, including for economic and social outcomes.

Experiences in numerous countries and sectors demonstrate that inaction on climate change has massive negative impacts on employment, incomes and poverty. Initial documentation of experiences with well-designed active climate policies suggests that these can have positive impacts on economic development and on employment generation. The shared vision should facilitate the coherence between climate and economic and social development policies.

- **On a shared vision for enhanced action on mitigation, future cooperative action on mitigation**

Future cooperative action can be significantly enhanced by realizing the synergies between mitigation measures, employment generation and poverty reduction. Active enterprise promotion, employment and labor market policies including skills development can significantly accelerate progress in mitigation measures such as energy efficiency, renewable energy deployment and sustainable land-use.



International Labour Office

Likewise, policies for just transitions for enterprises and workers negatively affected by mitigation measures help to reduce the economic and social cost of a transition to low-emissions economies and enhance the political sustainability of ambitious climate policies.

- **Enhanced action on adaptation**

Investments in adaptation should aim to address poverty as the root cause of vulnerability. This can be achieved by integrating measures into local economic development with active participation of local stakeholders, including enterprises, workers and local governments. The major investments in infrastructure can become a significant source of income for local communities.

- **Enhanced action on technology**

The transfer, adoption and deployment of technology will be greatly enhanced by measures which prepare governments, enterprises and workers. Capacity building needs include regulatory frameworks but also awareness, access to information and finance for small and medium-sized enterprises which account for over 90 per cent of all enterprises and an even higher share of employment in most countries. Skills shortages are a major impediment to the adoption and effective deployment of advanced technologies. The shared vision should explicitly address skills development and the engagement of small and medium-sized enterprises.

III Enhance action on mitigation of climate change

A. Measures, reportable and verifiable nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives, by all developed countries Parties, while ensuring the comparability of efforts among them, taking into account difference in their national circumstances

- **On what needs to be measured, reported and verified**



International Labour Office

In keeping with the goal of sustainable development, measurement, reporting and verification should include a set of social parameters, in particular changes in the volume and quality of employment resulting from mitigation measures across the national economy.

- **How to measure, report and verify**

Measurement, reporting and verification should be carried out with the participation of representatives of industry, of workers and of local governments in the sectors and localities affected by mitigation policies.

B. Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner

- **On the sustainable development context of NAMAs by developing country Parties**

Mitigation actions by developing country parties should be designed to generate significant benefits for poverty reduction and sustainable social development through the creation of employment and income opportunities.

- **On what needs to be measured, reported and verified in relation to actions**

In keeping with the goal of sustainable development, measurement, reporting and verification should include a set of social parameters, in particular changes in the volume and quality of employment resulting from mitigation measures across the national economy.



International Labour Office

- **How to measure, report and verify**

Measurement, reporting and verification should be carried out with the participation of representatives of industry, of workers and of local governments in the sectors and localities affected by mitigation policies.

C. Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

- **On the context and objectives of policy approaches and positive incentives**

The success of measures to reduce deforestation and forest degradation in developing countries will depend in large measure on the access to sustainable forest and land-use generating sufficient employment and income opportunities for forest dwellers and communities on the agricultural frontier. Policies should include measures to generate such opportunities and to channel incentives to communities which preserve and rehabilitate forests.

Care should be taken to promote the role and respect the rights of indigenous and tribal peoples in the conservation of forests as carbon sinks in line with the provisions of ILO Convention C. 169.

- **On what should be measured, reported and verified**

REDD activities should measure, report and verify the impact on local communities, including indigenous peoples with respect to income, employment, migration and cultural identity.

- **On how measure, monitor and verify**



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Measurement, monitoring and verification should include the participation of local communities and indigenous peoples.

- **On what should be supported in the areas of capacity-building, readiness and demonstrations**

Capacity building should include local communities and indigenous peoples as well as small and medium-sized enterprises to ensure broad access to incentives for avoided deforestation and for the rehabilitation of degraded forests. Capacity building should include the ability to meaningfully participate in decision making processes as well as an active role in implementation.

D. Cooperative sectoral approaches and sector-specific actions to enhance implementation of Article 4 paragraph 1 (c), of the Convention

- **On instruments and delivery/support mechanism**

Economic sectors have specialized organizations of industry/employers and workers with an in-depth understanding of the technical options, human resource requirements as well as of the economic and social implications of mitigation measures. These stakeholders should actively participate in the design, implementation and monitoring of policies to reduce the cost, enhance the effectiveness and maximize benefits in terms of employment. Sectoral organizations have an important role in facilitating just transitions for enterprises, workers and communities negatively affected by mitigation policies.

E. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries

- **On the extension, scaling up, review and improvement of the market-based mechanism**



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A shift to programmatic approaches would allow major scaling-up of measures in developing countries. It should be designed to also give equal access to mitigation in small and medium-sized enterprises and local communities who are excluded from the current mechanisms by information barriers and high transaction cost. This would significantly enhance the benefits of market based mechanisms for sustainable development in addition to reducing emissions.

- **On the development of innovative approaches and mechanisms**

Assessing labor market impacts and adopting transition measures; promoting labor-management initiatives for 'greening workplaces'; and using labor policies for identifying opportunities for green jobs, greening existing jobs and phasing out unsustainable jobs through just transitions.

F. Economic and social consequences of response measures

Response measures can have significant positive as well as negative consequences for enterprises, workers and communities. Adequate ex-ante analysis of impacts on employment, incomes and local development should be conducted to maximize benefits and to anticipate the need for just transitions.

Parties could benefit from sharing knowledge and experience on social impact assessment and developing a shared methodology based on best practices.

G. Ways to strengthen the catalytic role of the Convention in encouraging multilateral bodies, the public and private sectors and civil society, building on synergies among activities and processes, as a means to support mitigation in a coherent and integrated manner

For the cost and negative impacts to be minimized, and for the benefits to materialize, environmental, economic and social policies and programmes need to be well informed, coherent, broadly supported and able to engage stakeholders. Dialogue will be essential also for dealing with the downside of reducing emissions of GHGs. Workers and entrepreneurs should be assured that



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a green environment for society does not mean unemployment for them. Institutions for dialogue should be an integral part of the set-up for the implementation of the climate regime.

IV Enhanced action on adaptation

A. International cooperative to support urgent implementation of adaptation actions

- **On the vulnerability and adaptation assessments to support adaptation planning of the assessment process**

Climate related disasters and negative impacts often disrupt the functioning of local economies, the ability of enterprises to maintain or resume economic activity and for people to earn an income. Assessments should include socio-economic information on the structure of local economies in exposed parts of countries, including the size and nature of enterprises, main sources of employment and income, critical factors such as survival strategies, debt, access to credit and social networks.

- **On incentivizing adaptation, and creating enabling environments**

Embedding adaptation into sectoral and local economic development leads to more integrated and effective adaptation. It provides opportunities to actively engage sectoral and local stakeholders in design and implementation.

Social dialogue involving national and local governments as well as representatives of enterprises, workers and local communities should be part of the enabling environment and of planning and implementation of adaptation strategies.

Investments in infrastructure are a major component of adaptation and represent a large share of the cost. Implementation of infrastructure projects with local communities through labor-based methods addresses the



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adaptation need as well as poverty as a major contributing factor to vulnerability. Where ever practicable such methods should be privileged as an implementation mechanism for infrastructure development in adaptation strategies.

- **Technological support**

Technical support should include capacity building for the integration of adaptation into broader local economic development, the establishment of representative organizations and dialogue mechanisms, identification of options to diversify local economies to make them more resilient and the use of labor-based technology for infrastructure works with local employment and income benefits.

D. Economic diversification to build resilience

A just transition for populations and regions depending on economic activities which are highly vulnerable to climate change like agriculture, tourism or infrastructure should include adaptive strategies in these sectors as well as diversification to less vulnerable sources of employment and income.

The impacts of adaptive and diversification strategies on the competitiveness of sectors and enterprises as well as on the volume, the quality and the distribution of employment and income should be analyzed ex-ante.

A number of proven economic and development policy tools can be used in adaptation and diversification, including Local Economic Development, public-private partnerships, producers' organizations for economies of scale, needs-oriented technology transfer and skills development, credit and micro-finance.

E. Ways to strengthen the catalytic role of the Convention

Effective adaptation requires measures in a number of key economic sectors (agriculture, fisheries, tourism, and infrastructure a.o.). The Convention could



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play a catalytic role by establishing a dialogue with these sectors globally to analyze adaptation needs and options and to share experiences and good practices. The specialized agencies of the UN-system have close contacts with the relevant sectors and can facilitate the work of the UNFCCC in this respect. Similarly, the Convention and the UN-agencies can promote an exchange between the climate and the economic and social development community to promote the mainstreaming of adaptation into broader development policies and strategies.

V. Enhanced action on technology development and transfer to support action on mitigation and adaptation

A. Effective mechanisms and enhanced means for the removal of obstacles to, and provision ...

The transfer, adoption and deployment of technology will be greatly enhanced by measures which prepare governments, enterprises and workers. Capacity building needs include regulatory frameworks but also awareness, access to information and finance for small and medium-sized enterprises which account for over 90 per cent of all enterprises and an even higher share of employment in most countries. Skills shortages are a major impediment to the adoption and effective deployment of advanced technologies. Technology transfer and development programmes should explicitly address skills development and the engagement of small and medium-sized enterprises.

B. Ways to accelerate the deployment, diffusion and transfer of affordable environmentally sound technology

- **On capacity building**

Capacity building should explicitly include the technology access for small- and medium sized enterprises, skills profiling and needs assessments and the upgrading or establishment of vocational and technical training institutions to deliver skills development.