

► Global Stocktake

Advancing climate action together with a just transition supporting decent work for all

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► Climate change and the world of work

The policy responses that countries adopt to address climate and environmental change can have both intended and unintended consequences for jobs, livelihoods and decent work, and also for poverty, inequality and sustainable development in general. Overall, the impacts on employment can be considered from four perspectives: (i) new jobs will be created; (ii) some jobs might be substituted by others; (iii) certain jobs will be lost or eliminated without being substituted; and (iv) most jobs will be transformed. The ILO estimates that a shift to climate-neutral and circular economies could lead to the creation of an additional 100 million jobs by 2030. An additional 20 million jobs could be created through nature-based solutions. Both adaptation to climate change and measures to mitigate greenhouse gas (GHG) emissions offer opportunities to create new jobs, while securing existing ones. However, some 80 million jobs could be lost in that process.²³

Both job creation and job losses are unevenly distributed across the world and are often concentrated in specific regions and communities. New employment opportunities are not always created for the same workers and in the same locations where jobs are lost, and not at the same time, creating both geographic and temporal disconnections. Similarly, some industries will inevitably decline in the transition to sustainable production and consumption, while some sectors will grow, and others will radically transform, ushering in new ways of producing, working, consuming and living.²⁴ The energy transition, for instance, will result in job losses in the oil and gas industry, while millions of new jobs will be created in the broader renewable energy sector.²⁵ Similar shifts are expected within and across a range of other extractives, manufacturing and services sectors as a result of countries' and enterprises' commitments to tackle climate and environmental change.

Inclusion and equity remain an important concern for groups already facing socio-economic vulnerabilities, such as vulnerable women, persons with disabilities, indigenous peoples, and migrants and refugees. For instance, there is growing evidence of significant gender dimensions to be tackled to ensure that the transition becomes truly just. Studies by the ILO suggest that a substantial share of new employment in green sectors tends to be in male-dominated sectors and occupations, and that job creation in a green economy does not automatically bridge current gender inequalities.²⁶ To foster low-carbon economies and societies that are diverse, inclusive and equal, countries must pursue a just transition in tandem with a transformative agenda for gender equality, diversity and inclusion, as called for in the ILO Centenary Declaration.

The Paris Agreement on climate change affirms “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities”. A just transition means promoting a green economy in a way that is as fair and inclusive as possible to everyone concerned – workers, enterprises and communities – by creating decent work opportunities and leaving no one behind. A just transition involves maximizing the social and economic opportunities of climate and environmental action, while minimizing and carefully managing any challenges, including through effective social dialogue and stakeholder engagement and respect for the fundamental principles and rights at work. Ensuring a just transition is important for all countries at all levels of development. It is also important for all economic sectors – not just the energy supply sector – and in urban and rural areas alike. There is no “one size fits all” approach to a just transition. Policies and programmes need to be designed in line with the conditions in each country, including its stage of development, the range of economic sectors and the types and sizes of its enterprises.

The ILO [*Guidelines for a just transition towards environmentally sustainable economies and societies for all*](#), provide a comprehensive framework and a practical tool that countries can draw on to implement their climate change commitments, while putting in place macroeconomic and growth policies, labour market policies, industrial and sectoral policies, enterprise policies and policies on skills development, rights, social protection and occupational safety and health. They underline the importance of policy coherence and effective social dialogue and tripartism.

The imperative of a just transition was not only cemented in the Paris Agreement of COP21, but reaffirmed at COP27 in Sharm el Sheikh in particular with regard to the COP27 Cover Decision, the Sharm el-Sheikh Implementation Plan, which sets forth a historic new work programme on just transition. Of chief importance is a specific mention “that

sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue and participation of all stakeholders”.¹ In addition, the work programme notes that “just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition”.²

The ILO and its tripartite constituents representing governments, employers and workers organizations are agents of change to achieve ambitious climate action with green jobs, decent work and a just transition across all actions on mitigation, adaptation, loss and damage and finance.

► ILO action and support on climate change and just transition

ILO's work on just transition aims to maximize opportunities for employment and income growth, advance social justice, and minimize the risks of social disruption, including loss of business assets, jobs and livelihoods, and growing inequalities, in the context of decarbonization. The ILO acts through policies and operational programmes in six areas:

1. Fostering **social dialogue** among governments, employers' and workers' organizations to forge the indispensable social consensus for ambitious and inclusive climate policies.
2. **Policy research and analysis** to understand the nature and scale of changes in economic and social systems as a consequence of climate and environmental change on the one hand, and the effect of policy responses that countries take, on the other. This is done through global and country-specific assessments.
3. **Supporting national policy development and implementation** from two perspectives: 1) taking into consideration the risks and opportunities of the ecological transition in the design of comprehensive employment policies, and i) infusing decent work and just transition dimensions in climate and environmental policies.
4. Delivering **development cooperation and technical assistance** through projects and programmes in the areas of employment creation, enterprise and skills development, social protection in relation to environmental change, and occupational safety and health including on heat stress and its effect on labour productivity.
5. **Training and capacity building**, through institutional capacity development on the use of quantitative tools to model and measures the impact of climate policies on jobs, and training courses for climate, employment and economic policy makers to better understanding approaches to link environmental policy with employment and social policy.
6. **Partnerships and global engagement** including with MDBs, UN agencies, multilateral environmental processes, G7, G20, BRICS and other relevant global policy forums.

At COP27, the ILO hosted the first ever Just Transition Pavilion in partnership with the European Commission. The Pavilion brought together key partners such as the ITUC, IOE, and UNFCCC. The pavilion hosted some 40 events with more than 30 partnering organisations. In addition, the ILO delegation promoted the social dimensions of climate change across other events, reaching a total of more than 100 engagements for the ILO delegation across the two weeks.

The ILO also works to support UN Member States in uniting ambitious climate change policies supporting green job creation and the advancing of social justice for all through several country programmes, for example the ILO has developed, through the [Climate Action for Jobs Initiative](#), a programmatic approach to support national evidence-based policy advice, assistance for the design and implementation of just transition strategies and relevant policy instruments, institutional capacity building and social dialogue. Under the Climate Action for Jobs Initiative, it has also promoted knowledge development, guidance and experience sharing across countries, particularly through Just Transition Fora, dedicated academies and training courses and the design and application of policy guides and tools. The ILO continues to seek synergies with UN efforts on the agenda, including the Global Accelerator for Jobs and Social Protection.

¹ UNFCCC, [Sharm el-Sheikh Implementation Plan](#), para. 50.

² UNFCCC, [Sharm el-Sheikh Implementation Plan](#), para. 51.

The ILO is also collaborating with other UN entities (UNDP and OHCHR) and with the International Disability Alliance to promote disability inclusive climate action, the focus of the ILO being on just transition and green jobs for persons with disabilities.

Just transition policy briefs

In addition to global and country level assessment, [a series of thematic policy briefs](#) on just transition has been produced covering the following themes: macro-economic and growth policies, industrial and sectoral policies, enterprise, skills, social protection, social dialogue and tripartism, green works, labour migration and human mobility, indigenous peoples, gender and labour, persons with disabilities, and people living with HIV/AIDS.

Policy tools and instruments

Tools to support policy implementation and provide practical guidance have been developed including a Greening TVET and skills development: A practical guidance tool, Practical guide: How to work in the green economy? Guide for young people, job seekers and those who support them, and the Just Transition Tool on Banking and Investment Activities.

- [Greening TVET and skills development: A practical guidance tool](#) to support technical and vocational education and training (TVET) stakeholders to mainstream skills for the green transition in TVET and skills development in a systemic and holistic manner. The tool provides “how-to” guidance on designing competency standards and curricula for greener jobs, adapting training delivery and assessments to support greener learning, adapting practices to maintain a greener campus, capacitating teachers and trainers, and sensitizing enterprises.
- [How to work in the green economy? Guide for young people, job seekers and those who support them:](#) When choosing professional future, many young people, sensitive to planetary issues, would like their future job to be consistent with their convictions and help to bend the carbon curve. This guide provides young people, job seekers and those who support them with useful information to build their professional goals plan, either as an employee of the green economy, or by creating their own job in a sustainable entrepreneurship approach.
- [Just Transition Finance Tool for banking and investing activities.](#) The guide provides practical guidance to financial institutions on integrating just transition considerations in their strategies and operations. The ILO aims to work with partners to operationalize the guide, including possibly in the context of energy transition in the MENA region.

► Implementing the Paris Agreement with a just transition for all

- Ambitious action combatting climate change can be a driver for the creation of green jobs and decent work; however, it requires the engagement and social dialogue amongst governments, workers’ and employer’s organizations for just transition planning, policies and strategies to leave no one behind.
- Progress has been achieved under the work of the Forum on the Impact of the Implementation of Response Measures (Forum) and the Katowice Committee of Experts on the Impacts of the implementation of response measures (KCI)
- The ILO notes that green jobs, decent work, and just transition considerations have been included in particular in four regards; COP27 Cover Decision, the Sharm el-Sheikh Implementation Plan; Decision -/CP.27 - Intermediate review of the implementation of the gender action plan; Decision -/CMA.4 - Report of the forum on the impact of the implementation of response measures; and Decision -/CMA.4 - Guidance to the Green Climate Fund.
- The ILO reiterates the continued need for green jobs, decent work and just transition to be part of the implementation of the Paris Agreement in all aspects, from mitigation to adaptation, loss and damage, and market and non-market mechanisms under Article 6 of the Paris Agreement.
- As important aspects of the Paris Agreement, green jobs, decent work and just transition dimensions must be addressed fully by UNFCCC Parties in their NDCs and long-term plans for net zero, in the design of such plans and their implementation and reporting. This requires the involvement of the social partners in discussing and implementing the NDCs.

- In line with the UN Secretary General's encouragement for UN member states to apply the [ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all](#), the Office encourages all Parties to the UNFCCC to base the implementation of their just transition efforts on the ILO guidelines.
- As Parties work towards operationalizing a Loss and Damage Fund, the ILO recalls the Recommendation on Employment and Decent Work for Peace and Resilience, 2017 (No. 205), the ILO normative framework guiding the world-of-work responses to crisis situations arising from conflicts and disasters. The recommendations can assist parties implement coherent and comprehensive strategies to respond to the socio-economic impact of crises, enable recovery, and build resilience towards future shocks. Among others, it highlights the importance of social protection, calling on members to seek to ensure basic income security, access to social security schemes and other social protection mechanisms as well as to essential health care and other basic social services in responding to crisis situations, and to establish or maintain social protection floors as a means of preventing crises, enabling recovery and building resilience. It also highlights the importance of ensuring that the provision of education and training is not disrupted at all stages of crisis and recovery, by formulating or adapting education, training, retraining and vocational guidance programmes, with special attention to the empowerment of the affected populations.
- Similarly, the ILO recalls the ILO [Guiding Principles on access of refugees and other forcibly displaced persons to the labour market](#). ILO is also supporting as an expert the WIM Task Force on Displacement (TfD) with its development of technical guidance on loss and damage related to noneconomic and economic losses of human mobility and displacement. ILO also has advanced research and capacity building in several regions including East Africa and the Horn, Asia and the Pacific and particularly to support national and regional cooperation on establishing safe and regular pathways for those forced to migrate or displaced due to climate impacts in line with international labour standards. Recommendations from the [policy brief](#), ILO lessons from the field, and its standards will inform the technical guidance of the WIM TfD.
- There is a strong demand by member Governments for evidence-based policy analysis to quantify the social and labour market outcomes of climate policies and response measures. The ILO provides technical cooperation to countries on measuring green jobs in support of evidence-based policy using the international statistical standards adopted by the 19th International Conference of Labour Statisticians.³ The ILO has also established a network of research institutions, the [Green Jobs Assessment Institutions Network](#) (GAIN), to support such evidence-based policy analysis. To facilitate workers' transitions between occupations and sectors affected by the just transition process, investment in people's reskilling and upskilling is indispensable. The ILO has developed a practical guidance tool "[Greening TVET and skills development](#)" to support Technical and Vocational Education and Training (TVET) stakeholders to integrate skills for green transition into training programmes.
- Furthermore, the ILO encourages UN Member States to actively engage with young people to bring their ideas, innovations, and aspirations into our collective action for the promotion of social justice and a just transition which leaves no one behind. For example, the ILO has been supporting the capacity building of YOUNGO and other youth activists on the social dimension of climate change, and have institutionalised a YOUNGO representative on the Technical Group of the [Climate Action for Jobs Initiative](#), to foster meaningful youth engagement on the topic of green jobs and just transition.
- Public finance alone cannot address the social challenges related to a just transition. There is a pressing need for public and private finance to partner and provide sustainable financing solutions to tackle the current and emerging societal challenges and make materialize opportunities. As one of these challenges, decent work must be integrated into i) policies guiding financial sector activities including banking, investment and insurance as well as financial inclusion strategies, and ii) climate action and just transition strategies of public and private sector financial institutions. Measuring the decent work impacts of financing activities is required to guide critical investment strategies. The ILO is collaborating with relevant UN agencies to develop guidance and supports financial service providers in improving their sustainability management systems (covering social and environmental dimensions) and building capacity to finance and enable a just transition to environmentally sustainable economies.

³ See the 19th International Conference of Labour Statisticians [Guidelines concerning a statistical definition of employment in the environmental sector](#), adopted in 2013 in Geneva, Switzerland.