



September 2023

Submission to the Transitional Committee on Loss and Damage on worker dimensions: Learnings from Pakistan

One year on, Pakistan is still reeling from the devastating floods which put a third of the country under water, costing 1,700 lives and displacing close to 8 million people.¹ The disaster drew global attention to the injustice of countries like Pakistan, which have contributed least to climate change, bearing the burden of the climate crisis. Positively, this has helped to galvanise much needed action, with agreement on a dedicated Loss and Damage Fund (LDF) to remedy climate injustice.

We welcome the Transitional Committee's ongoing work on institutional and funding arrangements, with a view to operationalising the LDF at COP28. To support this process, this submission highlights a critical aspect of loss and damage which needs to be incorporated into arrangements for the LDF: worker dimensions.

Drawing on experiences of workers in Pakistan's rail sector, this submission sets out gaps in the approach typically taken to loss and damage. This has serious implications both for how loss and damage is calculated and in terms of identifying steps to guard against future loss and damage. It is imperative that the Transitional Committee tackles these gaps as it considers arrangements for the LDF so as to ensure that the fund fully delivers on its goals.

Loss and damage to workers in Pakistan's rail system

Pakistan's rail sector was decimated by the 2022 floods. An estimated 40 percent of in-service railway tracks were damaged, and there were impacts on signalling, embankments, stations, service buildings and residential buildings for staff.² Train operations were suspended for 35 days, before slowly being reopened as the floods receded.³ Official estimates put the total cost of rail damage, loss, reconstruction and recover at over USD \$4 billion (1,200 billion PKR).⁴

However, the official loss and damage assessment fails to take due account of the full loss and damage borne by workers.

Pakistan Railways directly employs around 70,000 employees and contributes to many more jobs on railway stations, such as porters and stall workers.⁵ The floods put the lives and health and safety of these workers at risk, with many losing their livelihoods, and ongoing delays in paying salaries, pensions and compensation to the families of those who lost their lives.

The rail administration began delaying salary payments to employees in the immediate aftermath of the floods, leading to protests and strikes.⁶ By January 2023, workers were striking over eight-month delays in salary payments.⁷ In the months since, delays have been ongoing, leaving workers unable to meet their household costs and forced to take out loans to live.⁸

At the same time, the rail administration did not replace retiring workers, which meant that remaining workers had a greater workload.⁹ Pensions for retired rail employees were suspended in May 2023, leaving retirees without an income.¹⁰ Other workers dependent on the rail system, such as railway porters, lost their incomes such as railway porters when services were suspended, and were left with no livelihood.¹¹ The lack of social protections leaves those affected without a safety net. The situation has been compounded by the denial of freedoms of association and on their rights to form and join unions, undermining the ability of workers to push for payments they are owed.¹²

Taking account of worker impacts in loss and damage assessments

All harms to workers arising from the floods should be part of the loss and damage assessment. Omissions arise from gaps in the approach to loss and damage which need to be addressed.

In the Pakistan rail case, worker leaders noted the shortcomings of relying solely on an engineering assessment.¹³ Workers were not identified as an affected group for the rail loss and damage assessment, and by its nature, a pure engineering assessment could not capture key losses.¹⁴ While the official assessment did cover structural damage to rail employee homes, there was no assessment of losses within homes, nor of impacts on livestock and subsistence crops many rail workers grow on their lands. This would have required a different approach, such as a survey of workers to identify non-structural losses along with specific consideration of other harms such as salary and pension delays and losses.

An alternative approach is possible by supplementing engineering assessments with other assessments to capture loss and damage in full. This has been done before. Following riots in 2007, unions in Pakistan conducted their own assessment of losses, reporting that they were able to account for more worker losses and had a better on-the-ground view of what was happening at stations. Another advantage of allowing space for alternative assessments is that it can help to guard against political pressure to downplay particular losses.

Protecting against further loss and damage

The potential risks of flooding to Pakistan's rail system have been known for years. The country's vulnerability to increased flooding was reported in 2005, and the 2010 floods showed what this meant for the rail system and its workers.¹⁵

Despite this, there has not been the investment needed to achieve a railway system resilient to flooding risks with appropriate protections for the workers. Indeed, the Post-Disaster Needs Assessment on the 2022 floods reported that "the railway sector has been the most impacted given its large pre-flood maintenance backlog".¹⁶

Underinvestment in rail has also affected the state and reliability of the system. This works against the modal shift needed to cut private car usage and keep energy emissions down as the population grows.

This has knock-on effects for further loss and damage. A lack of investment now in a sustainable and resilient rail system exposes the system and its workers to greater climate harms, putting more lives, livelihoods and futures at risk. There are broader impacts too. Supply chains for food and other goods rely primarily on road and rail, and these systems are essential for economic development and for communities to access health, education and other services.

To guard against such risks, workers have a crucial role to play. They keep the rail systems running, they know the stations and their insights are key to informing and monitoring the approach to financial flows to protect against future loss and damage.

Recommendations

As the Transitional Committee goes into its fourth meeting, there is an opportunity to take on board learnings from the Pakistan case relevant to arrangements for the LDF. We back existing calls and make additional recommendations as follows:

- We support the call for the LDF to play a central role in the **systematic global response** to loss and damage, operating under the principles of the UN Framework Convention on Climate Change and the Paris Agreement, including the principles of equity and of Common But Differentiated Responsibilities and Respective Capabilities (CBDRRC).
- Funding for the LDF must be **genuinely new and adequate and must not transfer the burden to the receiving country**. Non-debt producing grant-based public finance must be the source of funding for key state systems such as Pakistan Railways.
- The LDF must take **specific account of workers**, recognising that **fair compensation** for their loss and damage and a **role in the approach to financing** is part of the just transition for the workforce enshrined in the Paris Agreement. We highlight the recent resolution of the International Labour Conference, bringing together governments, employers and workers of 187 states, affirming the need, in line with the Paris Agreement, to align financial flows and public procurement with the objectives of a just transition.¹⁷
- To achieve this, social dialogue and stakeholder engagement must be part of the arrangements for the LDF, notably:
 - In **assessing loss and damage**, including at the sectoral level, taking specific account of workers and other affected communities. **Labour impact assessments** must be carried out, covering the full spectrum of loss and damage to those impacted, including informal workers, women and young workers, and other potentially marginalised workers. **Workers' representatives should be able to contribute to assessments** and/or **carry out their own** as additional inputs to the assessment process.
 - The institutional and financial set up for the LDF should include **an expert committee or advisory body with representatives of social partners and relevant stakeholders** to provide parties with independent information, advice and input. Workers' representatives must be recognised and have a seat at the table in all relevant discussion bodies.
 - The negotiation of financial flows via the LDF and associated climate policy solutions, including investment of LDF funds, must be based on meaningful and effective **social dialogue** with social partners at all levels enabled by freedom of association and collective bargaining. This should be reflected in the scope, modalities and institutional arrangements of the LDF.
- There should be a system of **annual monitoring and reporting to the COP**, with participation from party and non-party stakeholders, engaging workers' representatives and other stakeholders relevant to delivering climate justice.
- We support the call for the LDF to ensure **direct and rapid access** for national governments of vulnerable developing countries following extreme weather events. Quick recourse to funding for affected countries must be accompanied by speedy action to protect lives, health and safety, livelihoods and social welfare, **in dialogue with workers' representatives and other stakeholders on the ground**. The arrangements for the LDF should integrate these aspects.

About the International Transport Workers' Federation

The International Transport Workers' Federation (ITF) is the global umbrella body for trade unions in transport, representing seafarers, dockers, inland navigation, civil aviation, road transport, rail, urban transport, tourism and fisheries. We are a democratic, affiliated federation and we fight passionately to improve working lives, connecting 740 affiliated unions from over 150 countries to secure rights, equality and justice. We are the voice for nearly 18.5 million working men and women across the world.

- ¹ Government of Pakistan, 'Pakistan 2022: Post-Disaster Needs Assessment – Main Report', 28 October 2022; <https://www.undp.org/pakistan/publications/pakistan-floods-2022-post-disaster-needs-assessment-pdna>. Government of Pakistan, 'Submission by Pakistan to the Transitional Committee on the Operationalization of the New Funding Arrangements for Responding to Loss and Damage and the Associated Fund', 10 September 2023; [Pakistan's Submission to TC-4.pdf \(unfccc.int\)](#)
- ² Government of Pakistan, 'Pakistan 2022: Post-Disaster Needs Assessment – Supplemental Report', 28 October 2022; <https://www.undp.org/pakistan/publications/pakistan-floods-2022-post-disaster-needs-assessment-pdna>
- ³ APP, 'Railways earns Rs28 billion in six months despite flood devastation', 7 February 2023; <https://www.app.com.pk/national/railways-earns-rs28-billion-in-six-months-despite-flood-devastation/>
- ⁴ Government of Pakistan, 'Pakistan 2022: Post-Disaster Needs Assessment – Supplemental Report', 28 October 2022; <https://www.undp.org/pakistan/publications/pakistan-floods-2022-post-disaster-needs-assessment-pdna>
- ⁵ Auditor General of Pakistan, 'Audit Report on the Accounts of Pakistan Railways Audit Year 2019-20', February 2020; <https://agp.gov.pk/SiteImage/Policy/Audit%20Report%202019-20%20Railways..pdf>
- ⁶ Ary News. 'Railway Employees announce strike over non-payment of salaries.' September 7, 2022. <https://arynews.tv/railway-employees-announce-strike-over-non-payment-of-salaries/>
- ⁷ Express Tribune, 'Railway Workers Protest against delay in salaries.' January 31, 2023. <https://tribune.com.pk/story/2398573/railway-workers-protest-against-delay-in-salaries>
- ⁸ Express Tribune, 'Salary delay sparks uproar amongst PR employee.' June 19, 2023. <https://tribune.com.pk/story/2422462/salary-delay-sparks-uproar-among-pr-employees>. Interviews conducted on behalf of ITF with the Pakistan Railway Union and other worker representatives in June/July 2023.
- ⁹ Interviews conducted on behalf of ITF with the Pakistan Railway Union and other worker representatives in June/July 2023.
- ¹⁰ Pakistan Today, 'Railway Employees pension stopped by banks. May 3, 2023. <https://www.pakistantoday.com.pk/2023/05/03/railway-employees-pension-stopped-by-banks/>
- ¹¹ Dawn, 'Porters at railway stations left to carry own burden of life.' October 5, 2022. <https://www.dawn.com/news/1713488>
- ¹² Express Tribune, 'Salary delay sparks uproar amongst PR employee.' June 19, 2023. <https://tribune.com.pk/story/2422462/salary-delay-sparks-uproar-among-pr-employees>. Interviews conducted on behalf of ITF with the Pakistan Railway Union and other worker representatives in June/July 2023.
- ¹³ Interviews conducted on behalf of ITF with the Pakistan Railway Union and other worker representatives in June/July 2023.
- ¹⁴ Interviews conducted on behalf of ITF with the Pakistan Railway Union and other worker representatives in June/July 2023.
- ¹⁵ Brisco, J and Qamar, U. 2005. 'Pakistan Water Economy: Running Dry.' World Bank. https://documents1.worldbank.org/curated/en/989891468059352743/pdf/443750PUB0PK0W1Box0327398B01PUBLI_C1.pdf and Gall, C., 'Pakistan Flood Sets Back Infrastructure by Years', 26 August 2010; <https://www.nytimes.com/2010/08/27/world/asia/27flood.html>
- ¹⁶ Ministry of Planning Development. 2022. 'Pakistan Floods 2022: Post-Disaster Needs Assessment.' <https://www.pc.gov.pk/uploads/downloads/PDNA-2022.pdf>
- ¹⁷ International Labour Conference, 'Outcome of the General Discussion Committee on Just Transition', 15 June 2023; [ILC.111/Record No. 7A \(ilo.org\)](https://www.ilo.org/public/ILC.111/Record%20No.%207A)