IOE-ICC Input to the UNFCCC Technical Paper:
Just transition of the workforce, and the creation of decent work and quality jobs

We thank the UNFCCC Secretariat for the opportunity to submit comments on the Technical Paper “Just transition of the workforce, and the creation of decent work and quality”.

Regarding the errors and omissions, we submit the following in support of our contentions.

Omissions:
- The Paper does not address the essential enterprise dimension
- The Paper does not consider the issue in the context of the Objective of the Convention
- The Paper fails to respond to the evidence provided by UNFCCC data that no Party in their INDCs or 2016 reports of progress introduces a just transition in their work plans

a) The essential enterprise dimension

The private sector, whether referred to as enterprise, business or industry is acknowledged as an integral partner in the development and implementation of government policy broadly and in particular sustainable development and climate change. The significance of the role of the private sector is reflected in instruments adopted by members/Parties in a number of international agencies, such as the UNFCCC Paris Agreement, Article 6.4b and Article 6.8b (UNFCCC 2015); International Labour Organisation (ILO) Tripartite Meeting of Experts on Sustainable Development, Decent Work and Green Jobs, paragraph 19d and paragraph 20 (3) (ILO 2015); ILO Declaration on Multinational Enterprises (ILO 2006); OECD Guidelines on Multinational Enterprises, (OECD 2011); UN Global Compact Guide to Corporate Sustainability (UN Global Compact 201). These instruments commit to engagement by Parties with the private sector, acknowledge the necessary role of the private sector in the delivery of sustainable development and the climate change agenda, and the requirement of governments to create an enabling environment for enterprises.

There are also many examples of private sector and enterprise initiated action that, in essence adopt the commitments of the Parties to climate change and sustainable development, and assist in bridging the emission reduction gap. Examples include the 2017 Report on the private sector’s role in delivering on the SDGs - “Better Business, Better World”, developed by the Business and Sustainable Development Commission; the annual Business & Climate

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1 FCCC/TP/2016/7 (26 October 2016)

Mandate:
Para 1: The Conference of the Parties (COP), at its twenty-first session, decided to continue and improve the forum on the impact of the implementation of response measures (hereinafter referred to as the improved forum), and adopted the work programme, comprising two areas: (1) economic diversification and transformation; and (2) just transition of the workforce, and the creation of decent work and quality jobs.

Para 2: COP 21 requested the Chairs of the subsidiary bodies to convene the improved forum in order to implement the work programme.

Para 4: The main objective of this technical paper is to assist Parties in the process of just transition of their national workforces, and the creation of decent work and quality jobs in relation to the implementation of climate change mitigation policies (also referred to as ‘response measures’).

2 Intended Nationally Determined Contributions
Summits that work to build the partnerships needed to scale up and accelerate the low carbon transition; the action agenda for private-sector leadership on climate change by "Business for a Better World" (Cameron et al. 2015); Ikea's 1 billion euro pledge to clean energy and climate action (Clarke 2015); the global coalition of firms intent on converting to renewable energy. (Gillis & Fleur 2015); International Chamber of Commerce "Call for Climate Action" (ICC 2015) and the "Green Economy Roadmap" (ICC 2012).

These references are important because they demonstrate the interdependence of government decision-making and the private sector, the private sector’s necessary contribution to the global effort to manage climate change, and the private sector’s role in implementing government climate change policy including the economic and social impacts. In the context of the Secretariat’s Technical Paper, they are relevant because they establish that government’s considerations for the inclusion of a just transition framework in the implementation of its climate change mitigation policies will also be considerations required of the private sector.

The Paper’s advice for action bypasses the essential role that business is already and will continue to play in advancing delivery of initiatives on climate change to reduce emissions and to address the related economic and social issues. Achieving any ambition for a just transition and decent work in sustainable development and climate change policy requires engagement with the private sector. Further, it is only by engagement with the private sector that social dialogue, a key pillar of the Technical Paper, can occur and be effective.

Finally, we remind that without growth and productive employment, there is less room for the successful protection of the environment and the promotion of decent work. As enterprises are the primary source of job creation, a business-friendly environment remains a key priority.

b) Objective of the Convention

The Paper establishes very well the labour market impact from climate change and the just transition framework. The Paper however does not discuss the issue in the context of the Objective, Article 2 of the Convention (UNFCCC 1992). Rather, the discussion assumes a pre-eminence for the ILO objective of developing a framework for labour law and practice, and extends this to the delivery of green jobs, and the related sustainable development goals. While these can be complementary objectives, they should not be the primary objectives for climate change policy or the delivery of the objective of the Convention.

An example of this subordination of the Objective of the Convention is the stabilisation of the greenhouse gas requirement and the timeframe consideration in paragraph 192a of the Paper, which reports that "Developing a social protection system takes a long time, particularly in countries where institutional capacity is limited. Therefore, mitigation actions with the potential social impacts should be taken only once the potentially affected population is protected and compensation measures through adequate social protection are in place." We support the idea that mitigation actions with potential social impacts should be taken while considering adequate social protection measures, but not losing sight of the objectives of the Convention.

The Convention’s Objective takes into consideration the sustainable development agenda and at paragraph (c) provides that "The Parties have a right to, and should, promote sustainable development." We submit that the Paper should tailor its advice to Parties in accord with these requirements. The bigger issue of the deferral of mitigation actions while social protection measures are put on place should, in our opinion be referred to the Parties at the COP for resolution.
No Party in their INDC or 2016 reports on progress introduces a just transition in their work plans. The Paper at no point discusses how the Parties may bridge the gap between their current commitments to action on climate change and the proposals for achievement of a just transition framework. Without a plan for how to introduce a just transition into government policy, the ILO chart of the elements of a just transition framework reproduced at para 99, sits in isolation, apart from the practicalities of the practice of the Parties to the Convention. A more realistic chart developed around the following process may better serve the interests of the Parties:

- Agreements and Decisions from UNFCCC COPs
- In country, consultation with stakeholders (business, environmental activists and civil society, other interested parties)
- Parliament/ priorities of government
- Climate change law, policies and practice
  - Stabilisation of greenhouse gases (GHGs)
  - Social and workplace issues
    - Just transition framework
    - Coordination with other government departments
    - Integration with sustainable development agenda
  - Other priorities

3) **Errors**

- **Paragraph 53:** The Paper references a selection from the ILO guidelines for delivery of the decent work agenda, sustainable development and achievement of a just transition. However, it omits the guidelines that acknowledge the requirement for enterprise policy, that government must create an enabling environment for sustainable and greener enterprises, alongside employment-centred macroeconomic and growth policies; and environmental regulations in targeted industries and sectors (ILO 2015a).

- **Paragraphs 82-94** provide a commentary on what is said to be the views and contributions of the trade union movement, employers and business organisations. We note that the key reports cited in table 2 are from neither employers organisations nor trade unions, but rather environmental and welfare NGOs (Greenpeace International, Oxfam, Friends of the Earth, and the World Wildlife Fund for Nature). While there is no doubt about the integrity of these organisations, we challenge these references as the foremost work on the subject. We submit more pre-eminent works appropriate for reference, and which include contributions from the trade union movement and employers organisations:
  - Green jobs: Towards decent work in a sustainable, low-carbon world (Worldwatch Institute 2008)
  - Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication (UNEP 2011)

We also note that these texts acknowledge the essential role of the enterprise.

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3 Conference of the Parties (COP) - The COP is the supreme decision-making body of the Convention. All States that are Parties to the Convention are represented at the COP, at which they review the implementation of the Convention and any other legal instruments that the COP adopts and take decisions necessary to promote the effective implementation of the Convention, including institutional and administrative arrangements (UNFCCC, 2017).

4 In developing economies it often does not, for many reasons such as lack of resources and capacity or lack of social dialogue.

5 Some developing economies have clearly stated that climate change is a priority only after economic development and poverty alleviation, and if external funds are provided.
- **Paragraphs 95 and 96** speak of the views of a “number of governments [that] have framed their climate change policies around the need to ensure a socially fair transition to all affected by climate change and its policies”. However, the Paper then only discusses the practice in the European Union (EU) and South Africa. We suspect the “number” of governments is limited to the EU and South Africa. It is also necessary to reflect that the EU is a unique situation, whereby the concepts of social dialogue and sustainability are embedded in the Treaties that form the EU (EU 1997).

- **Paragraphs 155-66:** The Paper relies heavily on the role of social dialogue in the process to deliver the just transition. However, in the context of climate change, sustainable development and green jobs, the Paper overestimates the relative capacity and respective priorities of the government and the social partners particularly in developing countries. In practice, these issues are often of limited priority and outside the competence of the social partners, (they are primarily workplace relations advocates) which are under-resourced. As well, the examples provided in the Paper of effective social dialogue are examples from developed economies and essentially in Europe, which affords a unique labour relations framework mandated in the Treaty and not replicable across other economies.

The examples of success in achieving a just transition in developing countries are excellent, but fail in that they are project-specific and are externally initiated (e.g. by ILO, UNEP), are not examples of public policy or government leadership, and are not applicable or implementable across the broader workforce of the country.

- **Paragraph 185** states “Providing access to social protection measures to workers in these sectors should be an integral part of any climate change policy”. While addressing this issue in the context of informality of work is a fair ambition, it should be stressed that the informal economy is the majority employer in many of the developing countries, where workers are remote from the prospect of a just transition and social protection coverage. Furthermore, in developing countries it is inappropriate to discuss social protection in isolation from the many other unresolved issues relevant to the interests of workers.
Bibliography


ILO. (2012). Statistical update on employment in the informal economy ILO - Department of Statistics June 2012

ILO. (2015). Tripartite Meeting of Experts on Sustainable Development, Decent Work and Green Jobs convened from 5 to 9 October 2015 in Geneva, Switzerland:


