



Green Jobs in Asia Regional Conference

Surabaya, Indonesia

29-31 August 2012

Background Note

Background

In an era of climate change, resource scarcity and environmental degradation the promotion of green jobs has become synonymous with the wider development agenda driving efforts towards a greener and fairer development path. Economies in the Asia and Pacific region already find themselves in a structural transition period and climate change will become an increasingly important driver for further shifts in production and consumption patterns.

Many sectors of the economy need to find new sustainable ways of doing things which have repercussions on livelihoods, incomes and employment. A green economy can help alleviate poverty and increase the capacity of countries to adapt to climate change and promote low carbon, environmentally friendly development in a socially inclusive way. However, a well-managed transition is required that involves the actors of the world of work to ensure that such a shift towards a greener economy can also create decent work and bring social equity. This transition is required to maintain or enhance productive capacity, to develop new skills sets including skills for new green jobs and greener jobs, to develop, transfer and deploy new technologies and techniques and to develop financial schemes better linked to climate risks.

Moreover, a green economy is not simply a result of green investments but also dependant on facilitating the emergence of many more green jobs to improve environmental performance and sustainability amongst traditional industries and occupations. Employment and social policies need to be adjusted to cope with these changes and will require that the concept of environmental sustainability is integrated into the economic and social development process. In fact, green jobs will play an important role over the coming years in greening government activities, carbon-intensive industries, small and medium sized enterprises (SMEs) and the wider economy as a whole.

The ILO seeks to draw attention to the social dimensions of these changes and promote coherent policies that support both sustainable growth and enhance green jobs opportunities by improving working conditions and promoting sustainable enterprises. According to the framework definition for green jobs given by the ILO and UNEP, green jobs are direct employment in economic sectors and activities, which reduce their negative environmental impacts, ultimately resulting in levels that are sustainable but without compromising the rights of workers. These jobs are decent jobs that help to reduce consumption of energy and raw materials, de-carbonize the economy, protect and restore ecosystem services and biodiversity and minimize the production of waste and pollution. At its heart, the concept of green jobs combines the aspirations of the society at large for a low-carbon, environmentally friendly, climate-resilient world with decent work for all. Green jobs illustrate the need for quality jobs that also preserve the limited environmental capital and contribute directly to inclusive growth and sustainable development.

Because the concept of green jobs is still fairly new, uncertainties remain on the type of jobs to be created, where to find these jobs or if they require specific skills. Some wider notions including on the environment and environmental management are required to answer these questions. Importantly, one of the primary concerns will be how to create quality jobs that will at the same time, for example, generate less carbon and sustain inclusive growth. Building convergence towards a common

understanding of the fundamentals of green jobs and sharing information on the successful development of green jobs policies and programs is therefore an important step when designing a conceptual framework that will, most importantly, enable the creation of environmentally-friendly, decent and productive jobs.

For example, an important dimension of green jobs relate to the need to adapt to climate change. The effects of climate change such as more intense and more frequent storms and droughts, as well as sea level rise destroy natural resources and infrastructure on which large populations depend, affect livelihoods and destroy jobs. In response, the measures taken from public and private sources need to help maintain, transform or create new jobs, some of them being green jobs.

The ILO argues that the social pillar of the Sustainable Development Framework ought to be strengthened and has to be built upon the principle of decent work for all. This implies that decent work and social inclusion are reflected in commitments and governance mechanisms at the international and the national level. In this regard, the goal of decent work for all is central to sustainable development, will help articulate the linkages between the three pillars and commit to develop mutually supportive economic, social and environmental policies. At the recently held Rio+20 Summit, the ILO also advocated that a special focus has to be given to social protection and the creation of national social protection floors, in order to build resilient enterprises and communities that have the ability to adapt to climate change and serve as a stabilizer in times of economic crisis.

Green jobs are particularly appealing to the young generation as relevant new education and technical programs become available in universities or in technical institutions. However, such linkages are yet to be built through targeted programs for skills development, youth apprenticeship and entrepreneurship. The recent Call for Action for Youth Employment that was made at the International Labour Conference in June 2012 has highlighted the need to “anchor a job-friendly development agenda in industrial and sector-based policies that can facilitate structural transformation, contribute to an environmentally sustainable economy, and greater public and private investment in sectors that create decent jobs for young people”.

Women are also a discriminated category that is particularly affected by climate change. Women suffer from what could be qualified a ‘double climate deficit’. On the one hand, they are globally more exposed than men to the adverse impacts of climate change¹ and on the other hand, they benefit less than men from the climate response measures taken by governments, local authorities and other partners. This is due mainly to the fact that climate mitigation measures are strongly linked to male dominated economic sectors such as transport, construction and energy which would require gender specific strategies.

Developing countries in Asia and the Pacific region stand to suffer most because they are the most vulnerable and least able to adapt, particularly populated areas like the mega-deltas or small island states such as those in the Pacific. The region is characterized by a high level of exposure to the adverse impacts of climate change and a great variety in the scope of the answers to be developed. The task of setting the policies and programs that will help achieve a shift towards more sustainable and climate resilient production and consumption patterns and promoting more decent and green jobs will therefore very much be a country based process.

Moving towards a greener, climate resilient economy is increasingly important to ensure a sustainable development path, not only over the long-term but also in the short-term. As an illustration of the need and the urgency to address these issues, the Asia and Pacific region is prioritizing green jobs as a full component of its labor agenda and is the first region to do so. At the 15th Asia and Pacific ILO Labour Conference (APRM), held in Kyoto, Japan from 3-7 December 2011, labour ministers and decision makers took note of the efforts across the region to address the effects of climate change and

¹ UNDP, 2007.

considered that the greening of economies holds great potential for increased opportunities for decent work. They also considered national policy priorities for the Asia and the Pacific including a Decent Work Decade for the promotion of greener growth and green jobs, consistent with maintaining economic and social sustainability (Conclusion 51) as well as the full use of social dialogue to anticipate and address labour market changes, including those that will come with the transition to low-carbon economies (C 58).

Countries in Asia and the Pacific currently find themselves in a structural transition period with an increased emphasis on environmental sustainability and low carbon development already taking place. Governments, enterprises and workplaces in the Asia are in the early stages of identifying ways to engage in this transition, with some countries in the region taking notable steps in different areas. The ILO under the Australian Government–ILO Partnership Agreement has helped constituents in Bangladesh, Indonesia, Nepal, Philippines and Sri Lanka to build capacities in this regard and is seeking the opportunity to review recent achievements, challenges encountered and discuss possible ways forward with constituents and different partners of this program.

Objectives of the regional conference

The Green Jobs in Asia project was launched in August 2010 with the expressed aim of developing the capacity of ILO constituents and national partners in five participating countries (Indonesia, Bangladesh, Philippines, Sri Lanka & Nepal) to enhance national policy coherence, generate green jobs employment opportunities and a just transition for workers and employers towards advancing low-carbon, climate resilient, environmentally friendly development. Training and capacity building targeting the ILO constituents, mainstreaming of green jobs in the policy framework, and the development of green jobs creation models for further expansion and replication were the three main specific objectives of the project. During this time, numerous requests have been received by the same countries for an expansion of the green jobs activities as well as from other countries in the region for support on green jobs activities.

This conference will serve as an opportunity to reflect on the achievements and lessons learnt from the two years of the implementation of the Green Jobs in Asia project (2010-2012) throughout the five target countries. The meeting will be organized to provide a platform for further discussions with additional countries in the region on key messages related to creating the enabling conditions for the promotion of green jobs and decent work as well as supporting the social dimension of climate and environment-related policies. The meeting will discuss further interregional cooperation and action on green jobs, highlighting the critical role of the social partners involved in this effort and that of the ILO.

On this occasion, other relevant and successful green jobs experiences from the region will be presented to the participants so as to enrich the information base and discussions (see below). Also, an exchange of views with an enlarged circle of institutional partners and the donor community will be organized so as to increase common understanding of main priorities and challenges relating to the promotion of green jobs, greener jobs and decent work for countries in the Asia and Pacific region.

The Green Jobs in Asia Project

The Australian Government–ILO Partnership Agreement has supported the Green Jobs in Asia (GJA) project since August 2010 in five target countries; Bangladesh, Indonesia, Nepal, Philippines and Sri Lanka. The project has sought to deepen the ILO constituents' understanding of climate change and environmental sustainability and the need for gender sensitive employment opportunities that are both decent and environmentally friendly. The project's key focus was to provide capacity building for employers and trade unions on environmental sustainability and green jobs, mainstream green jobs into national policies, and support technical cooperation activities in green sectors. Sector based demonstration projects have been established in four countries and employment models for green jobs

have been designed to facilitate the creation of green jobs. Curricula development, association building and technical trainings on decent work are highlighted in these employment models.

Opportunities and challenges encountered during project implementation will be discussed during the Green Jobs in Asia Regional Conference (August 2012) and time allotted for discussions on the way forward. The tripartite nature of the meeting aims to create the conditions for an exchange of views and discussions on what has benefited the ILO Constituents and project partners and how to adapt project deliveries to evolving needs.

National tripartite conferences on green jobs have been organised in each of the five countries as well as tripartite foundation training on green jobs. Capacity building activities have been organised for social partners that support and build the capacity of trade unions and employers' organisations to better discuss issues and develop policies related to green jobs, climate change and environmental sustainability. ACTRAV and ITC Turin have also organised and delivered in collaboration with the project team a training programme on green jobs, climate change policies and decent work to participants from trade unions in each target country. National green jobs mapping studies are also being conducted to provide reliable data sets on the environment–employment linkages and to identify entry points for further green job creation and decent work. In this context, approximately 1500 ILO constituents and partners from academia and civil society have participated in knowledge sharing and training exercises on green jobs in the last two years. A Community of Practice on Green Jobs in Asia and the Pacific was established and now includes 181 registered members from Employers' and Workers' organizations, Governments, NGOs and International Organizations.

Green jobs have been identified as priorities in national development plans in several countries. In Bangladesh, the expansion of green jobs is in line with the country's *Sixth Five Year Development Plan* (2011-2015), which affirms the government's commitment to pursue an environmentally sustainable development process and green jobs in renewable energy have been included in the *UNDAF Action Plan* Pillar 5. In the Philippines, the *Philippine Labor and Employment Plan* (2011-2016), and the *National Climate Change Commission Action Plan* as well as the Philippines' Rio+20 Report refer to green jobs. Green jobs activities in Indonesia align with the national development priorities, which are articulated as pro-growth, pro-jobs, pro-poor and pro-environment, as also stated by the Indonesian President at the 100th International Labour Conference in June 2011. A sustainable economy is a main element in the *Mahinda Chinthana: Vision for a New Sri Lanka*, a ten-year development framework. In Sri Lanka green jobs have been included in the new *National Human Resource and Employment Policy* under development.

Curricula development, association building and technical trainings on decent work have been carried out under the four sector-based demonstration projects in renewable energy (solar panels) in Bangladesh, green social housing (The Philippines), sustainable tourism (Indonesia) and municipal waste management (Sri Lanka). Skills trainings in Bangladesh's renewable energy sector aim to reach 1,500 beneficiaries (with a focus on women and youth). In Indonesia, pilot activities in the sustainable tourism sector have trained over 350 green tourism operators and entrepreneurs in selected provinces. The Philippines project is working to promote green jobs through on-the-job community based training on the production and installation of environmentally-friendly construction materials in the social housing sector. In Sri Lanka, 4000 solid waste management workers have been trained as part of a larger strategy to improve working conditions, create productive work and promote the progressive formalization of jobs among the most vulnerable categories of informal workers and women involved in waste collection and processing.

Although they are not taking place under the umbrella of the Green Jobs in Asia project, the following activities will also be presented during the conference.

The Greener Business Asia (GBA) Project

The Greener Business Asia project contributes to emerging challenges in the Asia-Pacific region linked to the need to shift towards models of production that are more sustainable in their reliance on natural resources and the environment, while advancing economic dynamism and social equity. Currently operating in Thailand and the Philippines, the project seeks to enhance institutional capacity and strengthen support systems to assist enterprises in adopting environmentally-sound practices while providing safer and more productive workplaces with opportunities for decent work, thus facilitating their role in transitioning towards a greener, and more equitable economy.

Greener Business Asia Phase I has developed and pilot tested an enterprise improvement scheme based on an employer-worker cooperation model and has provided tailored support to constituents, local institutions, and industry organizations to help them promote sustainable workplace and industry practices. The two main areas of work of GBA are a) institutional-level training and knowledge-sharing and b) development and pilot testing of enterprise improvement scheme.

Under the first area of work, the training on green jobs and greener business for constituents and partners served to lay the basis for a shared understanding and commitment for engagement and collaboration. Particular emphasis was placed on the enterprise dimension of the transition to a more sustainable economy that involved discussions on the lessons learnt from the enterprise pilot scheme. The training also aims at helping constituents to reflect on their roles in promoting green jobs and greener business in the two countries. Targeted support to constituents included workshops with trade unions representatives on the role of trade unions in promoting environmentally-friendly workplaces through mechanisms of social dialogues. The collaboration with the Employers' Confederation of the Philippines, and the Employers' Confederation of Thailand involved the establishment of a Green Information Service portal, aimed at providing easy access to practical information on enterprise sustainability for the business community.

Under the second area of work, a package of training resources has been developed which aims at providing practical tools to help enterprises improve their resource efficiency and environmental impact, workplace conditions and relations and overall competitiveness through a model of worker-employer cooperation. The training and advisory service program has a sectoral dimension, namely targeting the hotel sector in Thailand and the automotive industry in the Philippines. Key topic areas included: workplace relations, rights and responsibilities, joint-problem solving techniques, waste and materials management, energy efficiency, water management and climate-resilient workplaces. As a result of the training, worker-management teams have been established in participating enterprises and are leading improvement actions.

Positive changes at the enterprise level include: significant reductions in water and electricity consumption thanks to behavioral changes, process control and/or small equipment modifications; reduction in waste and improved waste management systems (including handling of hazardous waste), implementation of 5S in different departments, removal of occupational hazards and workplace improvements driven by revived Occupational Health and Safety Committees. Stronger mechanisms of worker-management cooperation were not only a key factor for the success of the program but a benefit in themselves, and essential to the longer term sustainability of the improvement process, which is meant to continue beyond the project completion.

The ILO Green Business Options (GBO) in China and Mongolia

The Green Business Options (GBO) training programme aims to enable potential entrepreneurs, particularly youth, to develop sustainable business ideas and therefore promote the creation of green jobs and decent work, while defining practical business solutions to environmental challenges such as climate change. The GBO programme for potential entrepreneurs offers a unique opportunity to interested parties to gain access to employment focusing primarily on micro and small scale green business development. More precisely, GBO provides learners methods and help them build up the skills to develop feasible green business ideas.

GBO was developed by the ILO through its Green Jobs Initiative in China in 2009 as an environment and entrepreneurship-centered training programme. The GBO training materials have been tested, piloted and upgraded over the past years and the 2011 edition of the GBO training kit contains: a training manual that can be used in classes, study-groups, or self-learning; a trainer's manual that provides guidance to experienced trainers on how to operate a GBO training project in the local context; and six sectoral focused resource books, covering eco-tourism, eco-forestry and forest products, distributed renewable energy, recycling and waste management, energy efficiency and circular economy. The GBO resource books extend the general GBO modules into a sectoral context to help the trainers and learners gain insights into the policies related to green business creation and operation in a given sector, outline the trend and business opportunities for start-ups, and present relevant business models and case studies with a list of supporting sources, as part of a continued GBO learning process.

The GBO training programme is currently offered in China and Mongolia as part of the ILO Green Jobs Programme for Asia and the Pacific. Since 2010, the Chinese Ministry of Human Resources and Social Security has tested and piloted the GBO programme in five provinces and ten cities integrating it as part of the government job creation strategy, particularly targeting the young university graduates. The operation of GBO in China relies on a national network of some 20,000 trainers developed through the Start and Improve your Business programme (SIYB), following a “two-pass-approach.” The first pass intends to build the local capacity through ILO supported “training of trainers (TOT)” workshops. The second pass, “training of the potential entrepreneurs (TOE)” workshops are organized by the local labour bureaus in collaboration with the ILO in China.

The Climate Change Adaptation Project on building Climate Resilient Farming Communities in Agusan del Norte through Innovative Risk Transfer Mechanisms (CCAP, Philippines)

The Climate Change Adaptation Project (CCAP) was an initiative which developed and applied a local financing and risk insurance model to rice and corn farmers in vulnerable areas of Agusan del Norte in North Eastern Mindanao, Southern Philippines. This is an area that is highly vulnerable to climate-related disasters, and particularly with farmers who are dependent on “good weather” for their survival and livelihoods. The CCAP approach, in essence, bundles and rolls out critical financial and non-financial services in an Integrated Financial Package (IFP) to farmers who are made more vulnerable to climate-related risks by their poverty and lack of access to financial and productive resources.

The CCAP project facilitates increased access to credit in support of the farming households' crop production and alternative livelihoods, to savings facilities, to formal and informal insurance (crop, life, health) including the innovative Weather-Index-based Insurance (WIBI) package. It further facilitates access to productive services including agri-technology training (Farmer Fields School) and related agriculture support, enterprise/business training, financial literacy as well as market information and assistance. These services are delivered through the three (3) models of the IFP: the Rural Bank model, Cooperative model and LGU Loan Facility model.

It is effective because it works with service providers and able to seek out high risks communities not being covered by regular financial institutions. It is able to mobilize and optimize the use of local resources and bring the vulnerable communities existing productive and technical support facilities. As a result, these communities are able to continue with production in the face of climatic risks, diversify their incomes, strengthen their asset base and apply more effective risk based decision-making to farming.

At the end of the pilot in 2011, around a thousand families had participated in CCAP and had an increased net income because of (i) lower interest payments (down from the high interest of 6% per month with traders to as low as 0.83% with the LGU loan facility), (ii) lower costs of production inputs; and (iii) the additional income obtained from alternative livelihoods. While generally without savings at the beginning, by the end of the pilot, the coop model and rural bank model farmers recorded a total savings of Php811, 542.47 (US\$16,177) plus a capital build-up of Php252,978.27 (US\$5,750). Moreover, 103 out of 154 farmers enrolled in Weather Index-based Insurance (WIBI) scheme were able to obtain pay-outs for low rainfall events in one municipality (Buenavista) and excessive rainfall in another (Remedios T. Romualdez). These pay-outs were released quickly without the need for farmers filing neither claims nor field assessments, covered the costs of production and allowed replanting immediately within the cropping cycle. This, combined with increased income and savings (money readily available for emergencies), has helped to reduce poverty and transform the livelihoods of communities living in the Agusan del Norte province.

The CCAP project was implemented by the International Labour Organization (ILO) through a public-private partnership involving the Department of Trade and Industry (DTI) and the Department of Labor and Employment (DOLE) and in collaboration with technical agencies such as the Department of Science and Technology (DOST), the Philippines Weather Bureau PAGASA, Department of Agriculture (DA), the Philippine Crop Insurance Corporation, the provincial and municipal government units in Agusan del Norte, and the partner financial services providers, the Peoples Bank of Caraga and the Baug CARP Beneficiaries Multipurpose Cooperative. DTI, DOLE and the Province of Agusan del Norte took the lead for the sustained delivery of the CCAP mechanisms at the end of the pilot in December 2011, have completed the second cycle and are now on the third, benefitting more than two thousand farming households.

Now, the ILO and its partners are preparing for the scale up of the CCAP with support from the Global Environment Facility (GEF) and the United Nations Development Programme (UNDP). The CCAP mechanisms will be implemented in two provinces, two cities and ten municipalities in North Eastern Mindanao. The GEF investment and contributions from all partners in the scale-up, is expected to incentivize and deliver stronger and more diverse risk management strategies for 5000 farming families covering an area of at least 15,000 ha. It is expected to help North Eastern Mindanao, Southern Philippines to consolidate early gains made in strengthening the adaptive capacity of vulnerable farming communities. It will also allow further investments to be made that will help to turn farming in this area from a 'poverty trap' into a pathway out of poverty.

The Green Livelihood Access for Central Kalimantan's Inclusive Environmental Response to Climate Change in Indonesia (GLACIER)

In acknowledgement of the great need for the reduction of emissions from deforestation and forest degradation, the Government of Indonesia has issued an instruction on the freeze of native forest clearing between 2011 and 2013 and an instruction (2/2007) requiring the rehabilitation and conservation of the Ex Mega Rice Project (EMRP) area in Central Kalimantan. A comprehensive Master Plan for the Rehabilitation and Revitalization of EMRP in Central Kalimantan has been drafted to achieve this goal, requiring effective environmental management and a shift towards an economy that supports economically, socially and environmentally sustainable livelihoods.



In line with the EMRP's Master Plan, this 12-month pilot project seeks to improve access to sustainable livelihoods for local communities in the Ex Mega Rice Project area in Central Kalimantan through introducing participatory local resource-based approaches and building local capacity to rehabilitate degraded forest land, promoting sustainable livelihood development and improving access to socio-economic facilities and markets. To promote sustainable development and green job creation the pilot project will provide support to, and work in partnership with, local indigenous CSOs/NGOs, employers' and workers' organizations, while deepening current collaboration and partnerships between the ILO and Government of Indonesia.

This pilot project was developed on the basis of on-going cooperation and consultation with key stakeholders, in particular the national Task Force on the Reduction of Deforestation and Land Degradation (REDD+) and builds on the ILO's past technical cooperation experiences and continuing cooperation with Government institutions and workers' and employers' organisations. The pilot project shall therefore draw on the technical support and expertise, experience and knowledge of the Employment Intensive Investment Programme and the Green Jobs Programme. The Pilot project will leverage on-going partnerships and programs that are being implemented through the ILO Country Office for Indonesia and Timor-Leste, particularly through the AusAID-sponsored Green Jobs in Asia Project, as well as projects funded through the Multi Donor Fund for Aceh and Nias including the Nias Islands Rural Access and Capacity Building Programme and the Capacity Building for Local Resource-based Road Works in Aceh and Nias Project.

The project submitted by the ILO has already been approved by the national REDD+ Task Force of Indonesia and the Government of Central Kalimantan. The project is due to start immediately.