



ILO contribution to the Compilation document to serve as a basis for the preparation of zero- draft of the outcome document of the UN Conference on Sustainable Development

Contents

Preamble: Common statement by the UN System Chief Executives Board for Coordination (CEB) on the Outcome of the United Nations Conference on Sustainable Development	1
Sustainable development and poverty reduction: Decent work and green jobs in a green economy	3
I. Renewed commitments, implementation gaps, emerging issues	4
Renewed commitments	4
Implementation gaps	4
Emerging issues	6
II. Green Economy in the framework of sustainable development and poverty eradication	7
Implications of the transition to a green economy for employment, poverty and sustainable development	7
III. Institutional framework for a green economy	12
Mechanisms and institutions for policy coherence	12

Preamble: Common statement by the UN System Chief Executives Board for Coordination (CEB) on the Outcome of the United Nations Conference on Sustainable Development

1. We, members of the United Nations System Chief Executives Board, recognize the historic opportunity provided by the United Nations Conference on Sustainable Development to reset the world on a sustainable development path.
2. We affirm that sustainable development is a top priority for our organizations, and reaffirm the continuing validity of the principles in the 1992 Rio Declaration on Environment and Development and of Agenda 21, including the principle of common but differentiated responsibilities. We recommit to a renewed system-wide effort, in partnership with the full range of governmental, civil society and private sector stakeholders, to support the realization of these principles.
3. Despite substantial improvement in many key areas of development and environment, the world has not made the progress towards sustainable development aspired to in the outcomes of the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992, and in subsequent related world conferences.

-
4. Over the past twenty years, the world has witnessed strong economic growth and significant progress toward attaining a number of the Millennium Development Goals (MDGs). It is of grave concern, however, that these positive trends have been accompanied by increasing disparities and inequalities, persistent gender inequality, social inequity, a growing deterioration of the environment, and recurrent economic, financial, energy and food crises.
 5. At the United Nations Conference on Sustainable Development (or Rio+20), renewed commitment and urgent action are therefore needed to lay a firm foundation for a longer-term process of redressing imbalances, agreeing on priorities, and reforming institutional arrangements at all levels, to bring about coherence and the integration of policies across the economic, environmental and social pillars, with human beings and their well-being at the centre. The Conference must also address the means of implementing outcomes, through the provision of resources, including for technological transformation and capacity building.
 6. Charting the way forward to eradicate poverty and promote sustainable development must start with the recognition that the world has changed in fundamental ways. Climate change is significantly altering the physical and human geography of the planet. There are major differences in population growth, age, sex structures, spatial distribution and patterns of movement; resource consumption has increased, and production patterns are more unsustainable. But there has also been wide-ranging technological progress, from renewable energy and energy efficiency, to innovative measures for adapting to climate change impacts, and new and efficient means for social networking, dialogue and participatory engagement, providing opportunities that were not available twenty years ago.
 7. Against these changing parameters, Rio+20 must acknowledge that economic, social and environmental objectives are not independent variables, but are mutually supportive, with progress in each area facilitating advancement in the others. Our objectives should be to enhance equity, revitalize the global economy, and protect the planet and its ecosystems that support us so that all people, women, men and children, can live in dignity.
 8. The sustainability of future growth and development will rely critically on innovation, improved economic, energy and natural resource efficiency, an open and supportive multilateral trading system, better fiscal policies providing incentives for sustainability, comprehensive wealth accounting and valuation of ecosystem services, equitable access and inclusive political processes, and the capacity to create sufficient decent work. Growth must lead to strengthened resilience – of households, ecosystems, and economies, and improved water, food and nutrition security.
 9. Economic growth must be of high quality and inclusive. It should occur hand in hand with relevant efforts to accelerate progress in global health, gender equality and women's empowerment, the realization of human rights, greater equity, improved access to and quality of social protection and the rule of law, and the fair distribution of the benefits of development. Policies must avoid trade protectionism and negative impacts, especially on the poor and vulnerable groups such as refugees and internally displaced persons. These objectives are all key elements of the green economy approach, and we pledge the support of our organizations to Member States as they engage in this critical and transformational transition.
 10. The shift to sustainable development presents challenges, but also offers opportunity for substantial investments, both public and private, in productive infrastructure, technological transformation, science, education and human capital development. The UN system stands ready to assist Member States as they formulate and implement the

enabling policy and regulatory frameworks that are essential for such investment to take place, and to continue to strengthen its work at the country level.

11. In the current fragmented system, institutional reform is unquestionably needed at national, regional and international levels, to integrate the dimensions of sustainable development, improve effectiveness in implementation, urgently scale-up activities, and bring about further coordination and coherence of policy.
12. The UN system is determined to do its part on institutional reform, by improving system-wide coordination mechanisms, and by reviewing and improving policies and programmes, including through joint programming. But this may not be sufficient, and Rio+20 should consider continued efforts on broader reforms within the UN system, for example, the strengthening of institutions, mandates and regulatory frameworks, or making structural changes.
13. At a more specific level, from a range of priority issues, a number have emerged that warrant particular attention in the context of sustainable development at Rio+20. Among these are: energy, water, oceans, green jobs, sustainable cities, sustainable agriculture and food security, disaster risk reduction, and investing in health, education, youth, gender equality and women's empowerment.
14. These issues require a coordinated approach by the UN system, stakeholders from government, civil society and the private sector, to find joint innovative and lasting solutions. The organizations of the UN system have been intensifying efforts and cooperation to address the challenges of the water, energy and global food security crises. Rio+20 will provide an appropriate platform to support selected initiatives, such as the Sustainable Energy for All initiative, which illustrate a collective renewed commitment to sustainable development.
15. At Rio+20, we must build upon and scale up the achievements, best practices and lessons of the MDGs, and lay strong foundations for the post-2015 development agenda. We must chart a course for measurable progress towards sustainable development goals, using milestones that integrate the economic, environmental and social dimensions and a new generation of metrics to measure our achievements. The UN system stands ready to support the world's nations and peoples to make sustainable development a reality.

Sustainable development and poverty reduction: Decent work and green jobs in a green economy

16. The ILO and its constituents, the governments, employers and workers of its 183 Member States, participated actively in the Earth Summit in Rio de Janeiro in 1992 and in the World Summit on Sustainable Development in Johannesburg in 2002. The ILO has anchored the vision of sustainable development as the overriding policy paradigm within the Organization, and its agenda of creating decent work for all can make a key contribution to development.

I. Renewed commitments, implementation gaps, emerging issues

Renewed commitments

17. Productive employment and decent work play a pivotal role for sustainable development and poverty reduction. Gainful employment creates wealth for families, communities and national economies. Finding a job or starting a business are two of the most important factors people in developing countries cite as the means by which they have overcome poverty. The world of work plays a key role not only in the generation of wealth, but also in its distribution and thus in equitable development, as well as in shaping production and consumption patterns, reducing emissions, and managing natural resources to ensure resource efficiency and recycling. It is in workplaces that the social, economic and environmental dimensions come together inseparably. The world of work can therefore inject essential impetus to the drive for an integrated approach to sustainable development.
18. Previous conferences and summits have recognized the causal links between sustainable development, employment and decent work. Agenda 21 calls for measures to promote gainful employment to combat poverty.¹ The Johannesburg World Summit on Sustainable Development went further and underscored the need to increase employment and income opportunities. It emphasized the need for decent employment that complies with fundamental international labour standards and for social dialogue as part of the governance of sustainable development.² At its 2005 World Summit, and in greater detail at the Economic and Social Council in July 2006, the United Nations and the international system endorsed the ILO's objective of *decent work for all* as an internationally agreed development goal and a vital part of the international development agenda that is indispensable for sustainable development.³ This growing emphasis on gainful employment and decent work is a reflection of large and widening implementation gaps concerning the social dimension of sustainable development and of the potential of the Decent Work Agenda to close these gaps. The call for a closer linkage between social and environmental agendas is echoed in the UNFCCC agreements reached in Cancun in 2010, recognizing that addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs.

Implementation gaps

19. Twenty years after the Earth Summit of 1992, the world is far from achieving sustainable development. In spite of an unprecedented period of high and generalized economic growth until 2008, gains in poverty reduction and employment have been modest overall and concentrated in a limited number of countries.

¹ Agenda 21, Chapter 3, Combating Poverty, section 3.8(a).

² Johannesburg Declaration, paragraphs 26 and 28; Johannesburg Plan of Implementation, Section II, paragraph 10(b).

³ ECOSOC 2006, Ministerial Declaration of the High-Level Segment, Document E/2006/L.8 <http://www.un.org/docs/ecosoc/jump2ods.asp?symbol=E/2006/L.8>.

20. Development over the last two decades has also seen the persistence of social exclusion for large segments of the world's population –

- Global unemployment is at its highest point ever, surpassing 200 million worldwide; in 2010 there were an estimated 476 million working poor⁴ aged 15 years and above – more than 1 in 7 workers worldwide – living with their families on less than US\$1.25 per person per day, and there are an estimated 942 million working poor – nearly 1 in 3 workers worldwide – living below the US\$2 a day poverty line.⁵
- An estimated 5.1 billion people lack adequate social security or social protection worldwide, while just over 15 per cent of the world's unemployed worldwide are receiving some form of unemployment benefits⁶.
- Most of the above problems are aggravated by a gender dimension: women typically receive lower income for equal work⁷.
- Some 1.5 billion people continue to have no access to clean and modern forms of energy, with serious negative impacts on health, education and economic opportunity; in spite of the highest level of global energy consumption ever, this number has remained unchanged for 20 years; more than a million people live in slums without adequate shelter; more than one in six people worldwide – 894 million – do not have access to adequate amounts of safe freshwater⁸; 2.5 billion people worldwide lack basic sanitation. Very often, these problems are compounded by gender discrimination as women are often relegated to employment of last resort, are subjected to the direct negative effects of having to fetch water and gather biomass fuel, and are the main victims of the resulting indoor air pollution.

21. In addition to the limited progress on the social pillar of sustainable development, there has been a deterioration in the environment. Decoupling growth from the use of natural resources and the generation of harmful emissions has been weak, resulting in major increases in pollution and the overuse of many natural resources, including water, land, fish and forests. Resource overuse, pollution and the impact of climate change affect the world of work, disrupting economic activity, affecting employment and undermining incomes and livelihoods. Poor countries and poor segments of the population are disproportionately affected.

22. These outcomes demonstrate that the growth and development model of the last decades has been inefficient. The lack of balance between the pillars in the growth model translates into ever greater and unsustainable imbalances in outcomes.

⁴ The working poor are employed persons who are part of a household in which each member is estimated to be below the poverty line.

⁵ ILO, Key Indicators of the Labour Market, 7th edition, Chapter 1, Geneva, 2011.

⁶ Social Protection Floor for a Fair and Inclusive Globalization;
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_165750.pdf

⁷ Wage inequality by gender and occupation: A cross-country analysis. The gap in wages and earnings between men and women remains entrenched in many countries. In the EU Member States the gender gap in pay was 15 per cent in 2003.¹ In many countries in Asia and the Middle East and North Africa, the gap was upwards of 40 per cent in some sectors.² Even within the same occupations the wages and earnings of women tend to be less than those of their male counterparts.
http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/documents/publication/wcms_114026.pdf

⁸ UN Water; and WHO/UNICEF, 2008

23. The existing imbalances have escalated in recent years. Inter-related crises have erupted in finance, in economies, and in food security, exacerbated by natural disasters. Mass unemployment and working poverty, particularly among youth, has reached unprecedented levels and triggered social unrest. This has been most visible in North Africa and the Middle East, where the employment-to-population ratio stood at 46.6 and 45.4 per cent respectively in 2010 (compared to a world average of 61.1 per cent), meaning that out of 100 people that could work, not even half of them do. Levels of unemployment stood at 9.8 per cent in North Africa and 10.1 per cent in the Middle East in 2010, with high figures especially for women (15.0 and 17.0 per cent in North Africa and the Middle East respectively, compared to a world average of 6.5 per cent). Unemployment among Arab youth is among the highest in the world (23.6 per cent in North Africa and 25.1 per cent in the Middle East, compared to a world average of 12.6 per cent). Young people's risk of unemployment is four times higher than that for adults; in Egypt this figure is six times bigger.⁹
24. Over the last two decades pre-existing social inequality has deepened further and is threatening social cohesion. The share of wages in total national income has been falling and the income gap between the top and the bottom 10 per cent of wage earners increased in 70 per cent of the countries for which data are available.¹⁰
25. Demographic trends over the next few decades will bring major challenges for economic development and the labour market. Some 450 million youth will enter the labour market in the next ten years, adding to the existing backlog of unemployment and underemployment. The biggest absolute challenges are faced in the Asia-Pacific region, but the relative growth of employment opportunities needed is even higher in sub-Saharan Africa and the Middle East.
26. The inter-related crises and their social and environmental repercussions demonstrate how closely the three pillars of sustainable development are intertwined and how rapidly the impacts are amplified and transmitted in a globalized world economy. Global and national economic imbalances and social and environmental stresses exacerbate each other, with the inevitable risk of a downward spiral.
27. The economic pillar, which has been prioritized at the expense of the social and environmental pillars over the last few decades, has itself become a source of volatility and destabilization.¹¹ The frequency and scale of economic and environmental shocks are growing, with increasingly deep social impacts, in particular on poor segments of the population. At the same time, economic crises are deviating resources away from development, undermining investment in social and environmental improvement.
28. In view of the inefficiency of development over the past few decades and the risks and challenges associated with the emerging trends, there is an urgent need to rethink the development model and to redress the balance, recognizing that the three pillars are

⁹ ILO, *Challenges in the Arab World: An ILO response*, Geneva 2011: <http://www.ilo.org/public/english/bureau/pardev/development/mena.htm> and Key Indicators of the Labour Market, 7th edition, Geneva, 2011.

¹⁰ ILO/International Institute of Labour Studies: *World of Work Report*, 2008, <http://www.ilo.org/public/english/bureau/inst/download/world08.pdf>

¹¹ Systemic banking crises were ten times more frequent in the 1990s than in the turbulent 1970's. Such instability typically comes at a steep cost to low-income groups. (ILO/International Institute of Labour Studies : *World of Work Report*, 2008, see footnote 7).

equally important. A new development paradigm is needed which recognizes that the quality of economic growth is as important as its quantity, and that economic policy cannot be set independently of social and environmental outcomes. A more integrated approach can harness the forces of globalization in ways that create positive links between the three pillars.

Key messages concerning implementation gaps

The lack of decent work opportunities caused in large measure by insufficient coherence between policies is a major challenge to achieve sustainable development. At Rio+20 governments should commit to develop mutually supportive economic, social and environmental policies for employment generation and poverty eradication by promoting sustainable enterprises and green jobs, and extending social protection whilst actively engaging with workers' and employers' organizations.

II. Green Economy in the framework of sustainable development and poverty eradication

Implications of the transition to a green economy for employment, poverty and sustainable development

A green economy that delivers green jobs

29. The ILO and its constituents are convinced that a transition to a greener economy is necessary for sustainable development in general and from a social and labour market perspective in particular. A continuation of current trends under a business-as-usual scenario will have increasingly negative impacts on labour markets and social development.
30. While a green economy is unambiguously a necessary precondition for sustainable development, it is not sufficient. A transformation towards greener economies offers major opportunities for employment creation and social inclusion, but can also have downsides from a labour market perspective. Greening alone will neither secure the benefits, nor will it be sufficient to manage the potential downsides.
31. Evidence concerning the implications of a transition to a green economy for employment, poverty and socially sustainable development from earlier and forthcoming research by the ILO and others ¹² shows that –
 - Employment balances in a green economy can be positive. Net gains in job opportunities in the economy as a whole can make an appreciable contribution to addressing the challenge of creating enough jobs, provided coherent policies are in place. The gains will, however, not be sufficient to solve the employment problem, and additional policy measures are needed.
 - Job quality can improve in the transition to a greener economy. Such improvements are often necessary to generate the economic and environmental benefits from

¹² See, inter alia, UNEP, ILO, IOE, ITUC (2008) Green Jobs: towards decent work in a sustainable, low-carbon world and UNEP, ILO, IOE, ITUC (forthcoming) Green jobs for a green economy .

investments in greener production and consumption, but require conducive policies and effective labour market institutions.

- The income effects of a transition and of the policy instruments used, such as increases in the relative prices of energy and natural resources, tends to be regressive and needs to be balanced through accompanying socioeconomic policies.
 - There are numerous opportunities to achieve social inclusion on a very large scale as part of a shift to a greener economy, including through access to energy-efficient housing, renewable energy, sustainable agriculture and forestry, inclusive waste management and recycling, but these synergies are only generated through integrated policies and programmes.
 - The transformation to a greener and more sustainable economy involves a transition in labour markets, with major shifts of economic activity and of workers within and between economic sectors. The downside of these shifts needs to be managed to ensure a just transition for workers and enterprises that are negatively affected, such as those losing jobs and business in industrialized countries from low-carbon strategies, and workers and enterprises in developing countries who need to adapt to climate change in order to have sustainable livelihoods. Without targeted policies for a just transition to stabilize incomes, diversify the economy, and provide access to alternative opportunities and to the skills needed, the shift to a green economy risks being delayed or blocked by those who perceive that they stand to lose. Failure to adapt to climate change will seriously compromise the economic and social sustainability of enterprises and employment.
32. In the light of these findings, a re-balancing of the growth model is urgently required, ensuring equal weight is given to all three pillars when setting objectives and careful consideration to the relationships between them when designing policies. Key issues for the strengthening of the social pillar from the perspective of employment and income include:
- greater efforts towards social inclusion
 - conceptualizing and building social protection both as a buffer against shocks and a stabilizer, in particular by providing a basic floor for livelihood security and targeted social assistance for the most vulnerable
 - greater attention to incomes and income distribution as a driver of balanced growth
 - greater emphasis and higher evaluation of good job quality as a feature of productive and gainful employment
 - a better understanding of the transition, and better guidance on the structural changes between sectors and within countries and their employment implications
 - the need to create green jobs and green enterprises as a means of achieving higher levels of sustainability, reaping a double or triple dividend.

The importance of social protection for sustainable development

33. Social protection needs to be recognized as an enabler of sustainable, inclusive growth and as an economic stabilizer in the face of growing economic and environmental shocks. Social protection shields people from destitution and poverty; it empowers them to seize market opportunities; and it contributes to the stabilization of aggregate demand. Countries that have introduced or expanded social protection schemes as part of their development strategies are in a better position to cope with the social fallout of economic and environmental crises. Over the last decade, many developing countries

have taken remarkable steps to expand coverage by basic health services and social transfer programmes, laying the grounds for comprehensive social security systems, and a social protection floor.¹³ These programmes have been reinforced during the recent economic crisis, and many governments have announced development plans that include measures to broadly extend their schemes in the coming years. Social security and economic diversification plans can help the adjustment of regions and sectors (including SMEs) and vulnerable groups of workers affected by climate change and new transformational policies.

34. At its 100th Session in June 2011 the International Labour Conference adopted a set of Conclusions on social security.¹⁴ These Conclusions represent a global tripartite consensus on social security reached by the governments and employers' and workers' representatives of the ILO's 183 Member States. The Conclusions reaffirm that social security is a human right, as well as a social and economic necessity for countries at all levels of development. Recognizing the significant progress that many developing countries have made in extending social security coverage during the last decade, the Conclusions stipulate that closing social security coverage gaps is of the highest priority for equitable economic growth, social cohesion and decent work for all women and men.
35. The Conclusions call for the extension of social security in two dimensions: national social security extension strategies should aim at achieving universal coverage with at least minimum levels of protection (the horizontal dimension) and progressively ensuring higher levels of protection guided by up-to-date ILO social security standards (the vertical dimension). The horizontal dimension should aim at the rapid implementation of national social protection floors that ensure that over their life-cycle all in need can afford and have access to essential health care and enjoy income security, at least at a nationally defined minimum level. Strong emphasis is being placed on the fact that a one-size-fits-all approach is not appropriate. Countries should design and implement their national social protection guarantees according to national circumstances and priorities defined with the participation of social partners.
36. In June 2012 the International Labour Conference will discuss a possible Recommendation on a Social Protection Floor. Complementing the existing ILO social security standards, such a Recommendation would provide flexible but meaningful guidance to Member States in building national social security floors within comprehensive social security systems. Guiding national social security extension strategies, such a Recommendation would also support national social, economic and employment policy strategies, and contribute to poverty reduction and the formalization of informal employment.
37. A Social Protection Floor (SPF) is fundamental to sustainable development as it entails that citizens share life-cycle and market risks in a fair manner and allows workers and communities to shift into new forms of sustainable economic activity without the fear of falling into extreme poverty. The Global Social Protection Floor Initiative is a coherent global social policy concept that promotes nationally defined strategies that protect a

¹³ <http://www.socialprotectionfloor.org>

¹⁴ Resolution concerning the recurrent discussion on social protection (social security), International Labour Conference, 100th Session, 2011 (*Provisional Record* No. 24 - Report of the Committee for the Recurrent Discussion on Social Protection), Geneva, International Labour Organization, http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_157820.pdf)

minimum level of access to essential services and income security for all. It underpins a broader social security system that caters to citizens of all levels of income. Accounting for both demand and supply side measures, a national SPF is a basic set of rights and transfers that enables and empowers in particular the poorest members of a society to access a minimum of goods and services in the areas of health, water and sanitation and housing, education, food and related information throughout their life-cycle. Guaranteeing access to essential services and transfers that are part of the SPF empowers people, economically and socially, to cope with the potential downsides of the transition. It also helps redistribute income, thus addressing structural inequalities that have both led to and reproduced unsustainable patterns of economic, environmental and social development.

Creating employment and decent work in a green economy

38. Economic, environmental and social policies should focus growth on the creation of decent work opportunities in sustainable enterprises in the real economy. Sustainable enterprises are a principal source of growth, wealth creation, employment and decent work, and safeguard the environment.¹⁵ The promotion of sustainable enterprises is hence a major vehicle for achieving sustainable development, innovation and decent work. Entrepreneurship development and enterprise creation must be a key component in national development strategies especially in countries with high rates of youth unemployment. Central to the creation of sustainable enterprises is an enabling environment that combines the legitimate quest for profit with the need for sustainable development, which is development that respects human dignity and environmental sustainability.
39. The transition to a greener economy should include both the creation of green jobs in green sectors and the greening of enterprises across the economy. A green economy cannot simply be achieved by green financial investments alone. A focus on green jobs, i.e. jobs which reduce the environmental impact of enterprises and economic sectors to sustainable levels while offering decent work – helps realizing a structural transition which enhances inclusion and equity. Clearly, without skilled workers, well-prepared enterprises and motivated managers green technologies, for example, cannot be used at all or not effectively. Similarly, multiple opportunities to reduce environmental impacts through labour-management cooperation would be missed. The development of skills for green jobs and a green economy, especially for youth, is an important and indispensable part of the investment into a green economy and sustainable development.
40. There is a growing body of experience showing how policies have been effective in building on the synergies between a greener economy and the need to create more and better jobs. This involves deliberate consideration and articulation of the three pillars of sustainable development, which together provide a growing menu of policy options:
 - Green social housing programmes in industrialized and emerging economies have been effective in overcoming energy poverty and the lack of adequate shelter. Poor households spend a disproportionate share of their income on energy, including that spent on housing. Energy-efficient social housing and access to renewable sources of energy can lead to substantial and lasting increases in the well-being and disposable income of large numbers of poor households. In addition, new jobs and income are

¹⁵ International Labour Conference, June 2007: Conclusions concerning the promotion of sustainable enterprises, *Provisional Record* No. 15, p. 94;
<http://www.ilo.org/public/english/standards/relm/ilc/ilc96/pdf/pr-15.pdf> .

generated through the development of local enterprises establishing and maintaining energy infrastructure.

- Rural employment generation for poverty reduction can make a major contribution to adapt and improve resilience to climate change, to improve rural economies and increase food security by boosting agricultural productivity.
 - Social protection linked to payment for environmental services can turn the direct dependence of many poor people on natural resources into a means of reducing poverty through the preservation or rehabilitation of the natural environment.
 - Access to clean energy as an economic opportunity for the bottom billion can provide large-scale employment and income opportunities in the deployment of the technology and through the use of energy. Inclusive deployment based on viable small and local enterprises is key to maximizing the benefits as they are providing many job opportunities for women and youth.
 - The inclusion of informal waste collectors into formalized waste management and recycling value chains, including by promoting enterprise-based systems, can result in improved livelihoods for tens of millions of women and men who are today in precarious and hazardous employment, often below the poverty line.
 - Well designed financial incentives for greening the economy can maximize employment creation in green sectors and limit losses in energy and resource intensive ones. Eco-taxes which raise the cost of energy and resource consumption and use the added revenues to reduce the non-wage costs of labour, can lead to a gain in employment, even in resource intensive sectors¹⁶.
 - Seizing the huge opportunities for greening of enterprises by improving energy efficiency, reducing greenhouse gas emissions, managing productive resources more efficiently and reducing waste, whilst improving occupational safety and health for workers and the environment for their families and communities.
 - In order to manage transition in the labour market, strengthened social protection, active labour market policies and economic diversification help to ensure socially inclusive outcomes from the transition to a green economy and facilitate the adaption to climate change and other environmental stresses. In this context, social dialogue that involves employers, workers and governments is an effective way to anticipate and manage restructuring and adaptation.
 - Active labour market policies include retraining schemes for displaced workers, job-search assistance, direct employment creation programmes, training programmes, and employment subsidies to promote the hiring of vulnerable groups such as low-skilled workers and new entrants to the labour force. Complementary measures can include employment guarantee schemes deploying labour-intensive rural and urban public works programmes and various forms of micro-credit schemes to promote productive self-employment.
- 41.** Policies for sustainable development and greening the economy should be anchored in International Labour Standards, as they offer a normative framework and provide practical guidance for an effective and socially fair transition for a green economy.

¹⁶ ILO/International Institute of Labour Studies, World of Work Report 2009, chapter 4: green policies and jobs: a double dividend?

Key messages concerning a green economy in the framework of sustainable development and poverty eradication

A transition to a green economy is a necessary precondition for sustainable development in general and from a social and labour market perspective in particular. Greening economies offers major opportunities for employment creation and social inclusion, but it can also have downsides. To ensure that a green economy is rich in employment, socially inclusive and fair, complementary social and economic policies are needed along three lines:

I) Social protection as a means of social inclusion cushions the negative effects of temporary and structural change in the move to a green economy; the extension of social protection and the creation of a social protection floor for all are essential in a transition to a green economy and for the adaptation to climate change as well as a stabilizer in times of economic crisis. They are indispensable components of sustainable development.

II) Entrepreneurship and sustainable enterprise development in green sectors with high potential for job creation should be actively promoted, with a focus on youth and women.

III) A just transition policy framework should be adopted for workers and enterprises facing restructuring or having to adapt to climate change. This framework complements access to social protection with economic diversification and active labour market policies to facilitate adjustments through (re-) training, skills upgrading for green jobs and enterprises, enabling technologies, employment placement and, where necessary, targeted public employment schemes.

III. Institutional framework for a green economy

Mechanisms and institutions for policy coherence

42. The role of the institutional framework for sustainable development at international, national and local level should be
- a. to promote clear and achievable sustainable development objectives along with a set of measurable targets and ensure balance between the three pillars
 - b. to ensure policy coherence, including through ex-ante assessment of impacts of policies on other pillars. Methods for conducting such assessments have been developed for the green economy and the labour market.
 - c. to monitor progress in the three dimensions and their inter-actions.

-
43. The multipartite nature and modus operandi of the ILO¹⁷ could provide inspiration for guidance for a comprehensive and effective governance system which embodies the three dimensions of sustainable development and, at the same time, anchors its normative work and policy guidance in the real economy
 44. Participation by relevant stakeholders in the governance of sustainable development is critical, as stressed in the Rio and Johannesburg Declarations. Given the pivotal role of workplaces, enterprises and the world of work for sustainable development, this is particularly true for employers' and workers' organizations as membership-based, democratic representatives of the two key stakeholders in the real economy, which should play an active role in the governance of sustainable development at all levels.
 45. Social dialogue involving employers, workers and actors such as cooperatives, small business associations, and representative member-based groups in the informal economy such as waste workers' and street vendors' associations, is an effective way to formulate policies that are well-informed, balanced and integrated. Building consensus through social dialogue is also critical to ensure the commitment of all concerned and the sustainability of policies. Social dialogue and tripartism are fundamental elements of the ILO's mandate, and have proven their value on numerous occasions. Most recently, this has led to the adoption of the Global Jobs Pact,¹⁸ which addresses the challenges of the acute economic crisis in a constructive and coherent manner. The Pact has provided an integrated approach linking macro-economic, trade, labour, rural development, environmental and other policy fields, and has been used by many national policy makers.
 46. The national level is of critical importance for putting sustainable development into practice. High-level consultative bodies such as national councils for social and economic development have played a key role and should be strengthened. Similar institutions should be created or strengthened at local and sectoral levels. Together with inter-ministerial mechanisms, such institutions of dialogue have been instrumental in the formulation of integrated growth and poverty eradication strategies.
 47. At the international level, relevant agencies should systematically conduct assessments of their policies on all three pillars of sustainable development, in cooperation with the relevant sectoral organizations, and should coordinate and where appropriate jointly implement their policies. Promising recent examples of such inter-agency collaboration include ILO-IMF collaboration for stronger links between growth strategies, fiscal management and social protection, and the multi-agency partnership for the promotion of a global social protection floor.

¹⁷ How the ILO works: <http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/lang--en/index.htm>

¹⁸ <http://www.ilo.org/jobspact>

Key messages concerning the institutional framework for a green economy and sustainable development

It is essential to ensure tripartite participation – by governments, employers and workers – in international, national, sectoral and local governance structures for sustainable development policy formulation and implementation.

Governance structures need to achieve greater social equity, the creation of quality employment opportunities, and a just transition for sustainable development in a green economy. International labour standards provide an important normative framework as well as practical guidance for the formulation of relevant policies and for governance.

National goals should be set for sustainable development, including the creation of green jobs and social inclusion through policies for the greening of economies. These should be based on assessments of green jobs (current and potential, including gender dimensions, working conditions and decent work aspects) and translated through a process of social dialogue into employment policies that are in harmony with sustainable development policies.

Geneva, 1 November 2011.