Environmental Sustainability and Employment for Climate Resilience in Asia and the Pacific

Policy Brief No. 1: IMPLEMENTING THE JUST TRANSITION GUIDELINES IN ASIA AND THE PACIFIC - LESSONS FROM THE PHILIPPINES’ PILOT

“The role the ILO must take up is to promote the considerable potential for creation of decent work associated with the transition to a low-carbon sustainable development path and to minimize and manage the inevitable dislocation that will accompany it.”

Guy Ryder, ILO Director-General

WHAT IS A GREEN JOB?

“Green jobs are decent jobs that produce goods, provide services or make production processes more energy and resource efficient and less polluting. Green jobs exist and can be created in traditional sectors, such as manufacturing and construction or in new sectors, such as renewable energy and energy efficiency.”

However, not all jobs created in the transition to a green economy are decent automatically, but are by design.

Climate change presents significant challenges, with major implications for economic growth, jobs, health and livelihoods. Uncontrolled climate impacts will cause damage to infrastructure, disrupt business activity, and destroy jobs and livelihoods on an unprecedented scale. On the other hand, transitions to low-carbon, environmentally and socially sustainable economies can become a strong driver of job creation, job upgrading, social justice and poverty eradication, allowing climate-resilient economic growth and sustainable development.

While the job creation potential outweighs the risks of job losses and positive labour market outcomes can be expected overall, specific policies to ensure an active engagement of the world of work, notably through social dialogue and promoting social protection, are indispensable for a just transition for all, leaving no one behind.

Based on the Conclusions of the 102nd International Labour Conference (2013), the ILO adopted the Guidelines for a “Just Transition Towards Environmentally Sustainable Economies and Societies for All” in November 2015. The Guidelines include:

- employment-centred macroeconomic and growth policies;
- environmental regulations in targeted industries and sectors;
- creating an enabling environment for sustainable and greener enterprises;
- social protection policies to enhance resilience and safeguard workers from the negative impacts of climate change, economic restructuring and resource constraints;
- labour market policies that actively pursue job creation, limit jobs loss and ensure that adjustments related to greening policies are well managed;
- occupational safety and health policies to protect workers from occupational hazards and risks;

2 Developing high value products from wastes such as hollow blocks made of plastic and building houses from plastic.
skills development to ensure adequate skills at all levels to promote the greening of the economy; the establishment of mechanisms for social dialogue throughout policy-making processes at all levels; and policy coherence and institutional arrangements for the mainstreaming of sustainable development and ensuring stakeholder dialogue and coordination between policy fields.

These guidelines offer the ILO and its constituents a framework and practical tool to ensure that national and global efforts to tackle climate change and other environmental challenges also advance employment creation goals, social justice and fair transitions for workers, enterprises and communities on an equal footing (Figure 1).

Figure 1. ILO guidelines for a just transition

Policy coherence and effective institutional arrangements

Social dialogue

Macro/Sector
- Macroeconomic
- Industrial and sectoral

Employment
- Enterprises
- Skills
- Labour market

Social
- Occupational safety and health
- Social protection

Source: ILO, 2017a

The Just Transition guidelines can also help countries at all levels of development manage the transition to a low-carbon economy and help them achieve their Intended Nationally Determined Contributions and the 2030 Sustainable Development Agenda. A just transition can only be achieved if women are actively involved in developing and implementing all aspects of climate change mitigation and adaptation (Box 1). Also, targeted programmes and strategies, including those related to green jobs and indigenous peoples, can be instrumental for realizing indigenous peoples’ potential as crucial agents of change. They are also important for building on their traditional knowledge systems for effective climate action, as well as poverty reduction and green growth.4

Box 1. Just transition and gender

As was underlined by the Gender Action Plan that was adopted at the COP23, a just transition to sustainable development can only be achieved if women are actively involved in developing and implementing all aspects of climate change mitigation and adaptation. Women are overrepresented among vulnerable workers and climate change risks widening existing gender gaps. At the same time, addressing gender equality as an

integral part of climate action can contribute to achieving both gender equality and effective mitigation and adaptation measures. Particularly in the rural economy, for instance in agriculture and forestry, grassroots women, including indigenous and tribal women, are already playing an important role as workers and entrepreneurs. A just transition of the workforce and enterprises:

- has a significant potential for addressing gender inequalities if equality of opportunity and treatment of women and men is established as a specific focus and goal from the outset. Such an approach presents an opportunity to ensure that sectoral and occupational segregation is not perpetuated, wage and skills gaps are eradicated, inclusive social dialogue is established, working conditions are improved, and social protection enhanced;
- has the opportunity to transform and redefine jobs and workplaces by improving skills, and reducing health and safety risks, which are often worse for women;
- can open new labour market opportunities facilitating the formalization of the unregulated economic activities and jobs held by women;
- can ensure that women are not left behind, and their existing and potential contributions essential for stimulating green growth and achieving sustainable development for all, are not undermined; and;
- has the potential of addressing the continued overrepresentation of women in unpaid household and care work.

Source: ILO, 2017e.

Designed to promote decent work on a large scale and ensure that social protection operates where needed, these guidelines also include mechanisms for social dialogue between governments and workers’ and employers’ organizations throughout policy-making processes (Figure 2). Following on from the adopted guidelines the ILO has increased support to member states on just transition issues, including in the Philippines, Ghana and Uruguay as first pilot targeted countries, through the Sida-ILO Partnership Programme and complemented by the ILO Regular Budget Supplementary Account (RBSA).

Figure 2. ILO support for implementation of just transition guidelines

Source: ILO, 2017a

What are the Just Transition pilots?

The key objectives of the pilot application of the “Just Transition Guidelines” according to the ILO and Sida (2017) report at national level, is (i) to support countries in their strive to create employment,

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ensure social well-being and protect natural resource and (ii) build a tested intervention model and best practice examples for other countries wishing to follow the just transition guidelines and adopt green jobs strategies that enhance economic and social inclusion while addressing climate change and implementing low-emission development strategies. Social dialogue builds the basis for the identification of national priorities and the elaboration of national just transition strategies and policies.

The Philippines (Box 2) and Uruguay (Box 3) started implementation of the guidelines through national consultations, training for trade unions and prioritization supported by internal and external resource mobilization. A similar process will be introduced in Ghana, with a view to expand this work to more countries. Special emphasis was on knowledge management and knowledge sharing, reaching out to existing platforms while also supporting external and internal knowledge exchange, fitting the needs of constituents and staff, serving as a support for project implementation. The project knowledge exchange includes research, reports and studies, but also provides vital channel through which stakeholders can share case studies, lessons learned and good practices, ask for guidance and advice and discuss topics related to green jobs and the transition to the green economy.

**Box 2 Philippines pilot project**

The Philippines pilot project, from June 2016 to June 2018, aims to enable constituents - Government, workers and employers' organizations – in leveraging the process of structural change towards a sustainable, low carbon, climate-resilient economy to create decent jobs on a significant scale and in a sustained and inclusive manner. The project, funded by the Swedish International Development Cooperation Agency and the RBSA, is in support of the operationalization of the Philippine Green Jobs Act and in the framework of the national goals as well as international commitments, such as the 2030 Sustainable Development Agenda and the Philippines’ Nationally Determined Contributions (NDC) to addressing climate change. The main activities include:

- Establishment of a Tripartite Project Advisory Committee and Multipartite Technical Working Group, which serves as the main platform for social dialogue and provides policy and programming direction, leads the just transition initiatives and facilitates institutionalization of project results.
- Conduct of Foundational Training Workshops on Green Jobs and Just Transition for tripartite constituents.
- Integration of the promotion of green jobs and the need to address just transition issues into national frameworks and policies, including the 2017-2022 Philippine Development Plan and the Philippines’ Nationally Determined Contribution
- Support to the crafting of the Green Jobs Act Implementing Rules and Regulations
- Development of the assessment and certification standards for the accession of incentives under the Green Jobs Act.
- Integration of the Just Transition framework into the development of the National Green Jobs Human Resource Development (HRD) Plan
- Support to the piloting of the development of a comprehensive system of statistics on employment in the environmental sector and green jobs, through the labour force and establishment surveys
- Conduct of policy analysis and employment projections in key sectors to inform the formulation of response measures to ensure a just transition, which feeds into the development of the Green Jobs HRD Plan and informs the Nationally Determined Contribution
- Updating of Skills for Green Jobs country study, which analyses skills policies and strategies, skills provision at national, sectoral, local or enterprise level and support to the development of the Government’s strategic plan to green the TVET system
- Conduct of high level policy forums to facilitate integration of results into policy decision-making and development of relevant national frameworks.
- Piloting of the green business training programme, in collaboration with Government, academe and training providers
• Development and conduct of gender-responsive and inclusive advocacy strategies, together with key stakeholders.
• Development and operationalization of the comprehensive Just Transition framework to help address the transition issues in the mining sector in a key mining region in the country.
• Conduct of the regional dialogue on “Green Growth for Jobs and Social Inclusion: Making the case for a just transition in Asia” which provided a platform to share the Philippine experience in applying the Just Transition policy guidelines with other Asian countries and identify ways forward to advance the initiative in the region.

Box 3. Uruguay project

Uruguay’s Decent Work Country Programme focuses, among others, on productive development with the aim of boosting business development and job creation. To align the national productive development objectives with the global agenda on SDGs and Action on climate change, the country is increasingly interested in promoting a just transition towards a green economy. In 2015, a green jobs assessment was conducted to present an estimate of the current number of green jobs in Uruguay and their contribution to GDP.

The ILO supports Uruguay (with Sida funding) in applying the just transition guidelines, the objective of the project is to create employment, ensure social well-being and protect natural resources through the discussion and formulation of green jobs strategies that enhance economic and social inclusion while addressing climate change and implementing low-emission development strategies. Since January 2016 project activities include:
• Project steering committee and national dialogue: consultations with tripartite stakeholders through meetings and presentations;
• Studies on renewable energy and citrus sectors;
• Capacity building through workshops and forums; and
• Collaboration with other development partners.


Just transition pilot project achievements

Both pilot projects have achieved a number of outcomes that has contributed to the promotion of green and decent jobs (Table 1). Two Key outcomes:

• Constituents create an enabling environment for sustainable enterprises to prosper and create decent work opportunities through ex ante assessments of the employment and socio-economic impacts of environmental policies to inform policy choices at macro and sectoral levels.
• Constituents build intervention models for integrated and effective just transition measures at the industry, enterprise and local levels, where social partners, national and local authorities and other stakeholders will play key roles.

Table 1: Outcomes from the Philippines and Uruguay Pilot Projects

<table>
<thead>
<tr>
<th>Philippines</th>
<th>Uruguay</th>
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<tbody>
<tr>
<td>Multipartite cooperation mechanism established and functional, composed of key government agencies, social partners and key stakeholders and experts.</td>
<td>Meetings with stakeholders and definition of priorities and presentations of green jobs assessment and green jobs statistics.</td>
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<tr>
<td>Capacity of the Government and social partners is developed in measuring green jobs and analysing</td>
<td>Sectoral research in renewable energy and the citrus sectors.</td>
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environmental, economic and labour market linkages.

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<tr>
<th>Conducted forums to share results of various studies to facilitate integration of results into policy decision-making and development of relevant national frameworks, including the Philippine Development Plan, National Green Jobs Human Resource Development Plan, and the Nationally Determined Contribution.</th>
<th>Capacity building through the October 2016, ITC/ILO organised Global Academy on Green Economy and resultant Uruguayan action plan that provided additional guidance to the implementation of the project on just transition. National green jobs workshops (June 2017) increasing knowledge and understand of green jobs, strategies and policies to promote the creation of green jobs</th>
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<tr>
<td>Green Jobs advocacy strategies developed and implemented, including capacity building for Green Jobs ‘champions’ and development of knowledge products.</td>
<td>Collaboration with other actors, such as UN Environment and GIZ leading to a GIZ-led regional workshop on green economy (2017) in Montevideo,</td>
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<tr>
<td>Constituents build intervention models for integrated and effective just transition measures at the industry, enterprise and local levels, where social partners, national and local authorities and other stakeholders will play key roles.</td>
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Both countries (Philippines and Uruguay) have or are establishing a broad national strategy to promote green decent work and creating targeted initiatives to tackle transitional issues in particular sectors. Key aspects of a national strategy include establishing a statistical baseline (e.g. a green job assessment), developing analytical capacity to anticipate the necessary labour market adjustments and promoting buy-in through tripartite dialogue. In the Philippines, the Green Jobs Act was enacted in 2016 (Box 4)\(^6\) and was informed by previous studies conducted by the ILO, the green jobs mapping (2012) and skills for green jobs country study (2009).

**Box 4. The Philippines and the Green Jobs Act**

In April 2016, the Green Jobs Act (GJA) was passed into law to accelerate the promotion of sustainable growth and decent job creation, while building resilience against impacts of climate change, by providing fiscal and non-fiscal incentives to enterprises generating green jobs across all economic sectors and requires a whole-of-government approach in its implementation. Fiscal incentives include:

a) Special deduction from the taxable income equivalent to fifty percent (50%) of the total expenses for skills training and research development expenses which is over and above the allowable ordinary and necessary business deductions for said expenses under the National Internal Revenue Code of 1997, as amended; and

b) Tax and duty-free importation of capital equipment: Provided, That the capital equipment is actually, directly and exclusively used in the promotion of green jobs of the business enterprise.

The Act, a pioneering approach in institutionalizing labour and employment dimensions in the policy framework for addressing climate change and environmental issues, provides for the development of the human capital to enable and sustain the transition to a green economy. The law defined green jobs as decent

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\(^6\) ILO. GLOBAL FORUM ON JUST TRANSITION (Geneva, 5 December 2017): Main Messages for the Asia-Pacific Region and Some Open Issues. Summary Note for ROAP.
jobs that contribute to preserving and restoring the quality of the environment, be it in the agriculture, industry or services sector.

It requires the development and implementation of Green Jobs Human Resource Development Plan that will include programs, projects and activities pertaining to basic, higher and technical vocational education and training, a database that identifies and links green jobs opportunities with private and public entities, and information on knowledge and skills requirements of a green economy. The Green Jobs HRD, which adopts the Just Transition framework, is crucial in driving the creation of more decent jobs and equal opportunities and the promotion of social justice and workers’ welfare. The plan will also identify just transition measures for those who will be negatively affected due to structural shifts and impacts of climate change to ensure that everyone benefits from the green transition.

The Act has benefitted from extensive social dialogue with stakeholders in the economy, including workers and employers’ representatives. As a result, the Green Jobs Act Implementing Rules and Regulations included a recognition of the need to pursue a just transition in the promotion of a green economy, including ensuring “job security for workers affected by the transition process and driving economic prosperity, decent job creation, sustainable and resilient livelihoods and communities, poverty reduction and social justice, anchored on social dialogue and tripartism at all levels”.


Sector-specific projects have included the promotion of more climate resilient agriculture in Ghana and the development of a socially responsible plan in response to Government’s call to shutdown mining companies not complying with environmental policies as well as anticipating end of life of mines in the Philippines that was led by the unions who worked in close collaboration with employers and the government (Box 5). These country examples appear to have been quite resource intensive and may not be easily replicated in full. However, a more piecemeal adoption of components of these ambitious pilot programmes also appears to hold considerable promise.

Box 5. Mining closures
The Philippine government issued closure and suspension orders for more than 20 mining companies. This also brought to the fore mining issues as well as the vulnerabilities of workers, communities, government, and enterprises and the necessity of having comprehensive and coherent policies and measures to address the multifaceted challenges and to pursue an environmentally sustainable growth, while ensuring a just transition.

Through the ILO, consultations were organised with national and local Government, trade unions, employers, and other stakeholders, which resulted to a nine-point policy framework to transition the mining sector. With the primary objective to supporting the transition of workers affected by cessation of mining operations, the framework also provided for strategies that will contribute to improving performance of the mining sector, including strengthening compliance with environmental, labour and safety and health standards and anticipate mining transition, and in repositioning the key mining region to optimize its growth potential towards a

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7 “Green jobs refer to employment that contributes to preserving or restoring the quality of the environment, be it in the agriculture, industry or services sector. Specifically, but not exclusively, this include jobs that help to protect ecosystems and biodiversity, reduce energy, materials and water consumption through high efficiency strategies, decarbonize the economy, and minimize or altogether avoid generation of all forms of waste and pollution. Green jobs are decent jobs that are productive, respect the rights of workers, deliver a fair income, provide security in the workplace and social protection for families, and promote social dialogue” as defined in the Philippine Green Jobs Act.

8 ILO. GLOBAL FORUM ON JUST TRANSITION (Geneva, 5 December 2017): Main Messages for the Asia-Pacific Region and Some Open Issues. Summary Note for ROAP.
sustainable, climate-resilient and inclusive pathway that creates decent, greener jobs. The framework includes measures to strengthen social dialogue mechanism and tripartism, build the capacity of institutions to enforce existing laws, ensure proper compensation measures, retool and upskill workers, promote economic diversification, guarantee social protection and insurance, and establish funding mechanisms. The operationalization of the framework is being piloted in a key mining region in the Philippines.

Source: ILO. GLOBAL FORUM ON JUST TRANSITION (Geneva, 5 December 2017): Main Messages for the Asia-Pacific Region and Some Open Issues. Summary Note for ROAP.

Just transition pilot project implementation challenges

The major obstacle to implement the Just Transition framework reported by constituents in the Philippines is the preconceived notions and perceptions that preparation for Just Transition will entail additional cost. Two areas within the Philippine pilot project were identified as challenges by country businesses and policy-making agencies.

Business obstacles:

- Access to technology and expertise to implement green projects (i.e. where and how to obtain these).

- Corresponding cost considerations (i.e. low-cost/no cost interventions) in light of capital investments that need to be made.

- There is a need to demonstrate the value-added, the business case for how green technology can make businesses more competitive, attract customers, and make profit. As such technical assistance to micro and small enterprises (MSMEs) is needed in the form of capacity building and training to address skills gaps.

Policy-making agency obstacles:

- Bringing the concept of climate change, its related impacts and actions, to the local community level. Articulating policies, which are science and empirically based and communicate the rationale in terms of statistics or also by framing the case through jobs and livelihoods.

- Raising awareness at the local level is one of the biggest challenges the policy-making agencies are trying to surmount (Box 6).

Box 6. Local adaptation plan: The Philippines

The Philippines Climate Change Commission is directing considerable effort towards having local communities produce local adaptation plans, which is mandated by law. Within the Philippines there is currently 30% compliance of Local Government Units (LGUs) in terms of climate change action plans (maybe 60%) but quality is an issue, given the lack of technical capacities. In addition to the current requirements of the local adaptation plans, potential for green jobs creation needs to be considered.

Source: ILO. GLOBAL FORUM ON JUST TRANSITION (Geneva, 5 December 2017): Main Messages for the Asia-Pacific Region and Some Open Issues. Summary Note for ROAP.

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Strategies for a broader application of the Just Transition guidelines

As the ILO reaches 100 years in 2019 it is time to redouble the ILO’s efforts to promote a Just Transition in the Asia-Pacific region, while also underlining how this will be a long and complex process. It will be important to intervene in ways that are successful in the short-run while also building a solid foundation that can be used to go beyond that initial success. Since national circumstances are so varied in the region and resource limitations preclude mounting a comprehensive just transition initiative in every country, the way in which the promotion of decent work in each country should be progressively greened should be chosen carefully and will differ across countries (Box 7).

Box 7. Country intervention: Issues to be taken into consideration

Several issues should be taken into account:

- Intervention on a fairly large and comprehensive scale in only a few countries or to spread resources more evenly across countries, where more targeted projects are promoted.
- Diversifying research and experience into other relevant sectors (not just the shift to clean energy), the most strategic sector(s) to focus upon initially will vary from country to country.
- Climate adaptation or climate mitigation deserve to receive the most immediate attention. In many developing countries, especially those that are particularly vulnerable to adverse impacts of climate change, tying decent work promotion to climate adaptation may be the most urgent.
- While the most vulnerable groups deserve priority, it may be more difficult to incorporate them into an effective tripartite process increasing the risk of disappointing results. The challenge is to balance between targeting the most vulnerable workers and targeting a group where the prospects for a successful intervention are greater. Other interventions on social protection of the most vulnerable are complementary towards achieving resilience.

Source: ILO. GLOBAL FORUM ON JUST TRANSITION (Geneva, 5 December 2017): Main Messages for the Asia-Pacific Region and Some Open Issues. Summary Note for ROAP.

Actions for the way forward in five strategic areas

1. Policy and institutions:
   - Integrating Just Transition into existing policies and in the design of new policies.

2. Awareness raising:
   - Design JT communication plans.

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• Integrating JT in country, regional and local strategic planning.
• Establish new dedicated institutional units and playing within respective institutions.
• Localizing Just Transition in local government and civil society organisations and capacitating them.
• Conduct awareness raising within Ministry/government and at the grassroots.
• Pursue regional and international initiatives.
• Continued advocacy at various platforms and on specific issues interlinkages.

3. Training and capacity building:
• Design a roadmap for capacity building.
• Create new modules/curricula and integrating Just Transition in existing ones.
• Map green skills/jobs in existing curriculum and initiatives globally.
• Convene training programs/workshops.

4. Social dialogue and collaboration:
• Establish a hub for social dialogue.
• Partnerships across sectors, departments, and levels of governance.
• Continuous dialogue especially for issues affecting the most vulnerable.
• Social dialogue and civil society collaboration.

5. Financing:
• Pursue Green Climate Fund accreditation.
• Address adequate financing for MSME, mainstreaming in credit policies.
• Design training for packaging new loans or investments proposals to green industry operations.
• Facilitate doing business: attracting green investment and ensuring conduciveness.

Key ingredients to promoting and applying Just Transition include: 11

• Awareness raising - a “continuous and aggressive awareness raising campaign” should entail communicating the definition of Just Transition, its impacts, challenges and opportunities for everyone. It is important to ensure that businesses will continue to be viable and profitable, particularly for MSMEs who may lack the capacity but also comprise a large segment of establishments in the country.

• Social dialogue - is the key instrument for forging a way forward towards Just Transition. Social dialogue is rationalized across all sectors and agencies according to their mandates (rules, regulations, statues). Implementation issues need to be addressed pragmatically, with actions across all aspects of governance - from national down to the local level, from both management and worker side. Worker-management relations can be enhanced to include environmental performance in order to ensure business resilience. Social dialogue on skills training is also institutionalized through the TVET departments and agencies to develop and promote green initiatives and strengthening green technology centers.

11 ILO. GLOBAL FORUM ON JUST TRANSITION (Geneva, 5 December 2017): Main Messages for the Asia-Pacific Region and Some Open Issues. Summary Note for ROAP.
- **Safety nets and technical assistance** - there is a need to prepare old sectoral workers in light of greening industries through income diversification, skills training, and proper management systems to facilitate the shift. Continuous engagement with workers and employers through multi-sector dialogue is emphasized to promote the exchange of ideas across sectors, working towards unity of purpose. Small business technical assistance is also important in the form of capacity building and training to address skills gaps.

**Sources:**


ILO. 2017a. Just transition, decent work, and climate resilience. (Bangkok).


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