

► Consultancy opportunity

Literature review and desk research on the current status of Just Transition Initiatives in Investment Activities

Social Finance Programme / Enterprises Department

September 2021

► Consultancy details

Background

Fostering inclusive job-rich growth is more critical than ever in the context of the current Covid-19 crisis. At the same time, response to the climate crisis cannot be put on hold, and the consequences of delayed or insufficient action will severely undermine economic and social development prospects. Recovery measures are a unique opportunity to restart and reshape economies to deliver decent jobs and social justice and fast-track the decoupling of growth and emissions.

The ILO's Guidelines for a just transition towards environmentally sustainable economies and societies for all, adopted in 2015, provide a key framework in this respect. They set out principles and a framework to maximise employment-related and other social gains while minimising and managing potential negative impacts. They present numerous entry points to promote a just transition across different policy fields based on social dialogue: from investment to enterprise development, skill training, and social protection.

The Climate Action for Jobs initiative, spearheaded by the ILO, brings together governments, workers' and employers' organizations, international institutions, academia and civil society to deliver change and promote a Just Transition. Financial institutions, faced with both stranded assets in their portfolios and investment opportunities in the Green Economy, are requesting concrete guidance on how to incorporate Just Transition in their decision-making.

The financial sector has a critical role to play in contributing to real changes in jobs and climate action through a just transition. Integrating Just Transition into capital allocation and investment decisions can generate positive social and environmental outcomes while mitigating potential negative consequences (e.g. stranded assets, stranded workers, and impact on local economic development).

The ILO's Social Finance Unit and the Green Jobs Programme ("Social Finance" and "Green Jobs") are developing a Knowledge and Technical Assistance Facility on Financing a Just Transition, with the goal of creating toolkits for different financial service providers (in banking, investment and insurance sectors) which will include policies, procedures, checklists and case studies.

Scope of work

The ILO is looking for a consultant to undertake a literature review and a desk research on the current status of Just Transition initiatives and guidance materials as well as their adoption by the actors involved in investment management activities. The result of such work will be a report that summarises the main initiatives, including their scope and expected future developments as well as examples of approaches to integrate Just Transition considerations in investors' strategies, investment and engagement processes. The final report should have between 30 and 40 pages.

The initiatives (e.g. regulation, principles, standards, tools, approaches, incentive schemes, products, etc.) to be explored do not necessarily need to have a stated objective of addressing Just Transition, but could include those that relate to Sustainable Investment in a broader sense but with a clear relevance to Just Transition.

These can be related, for instance, to how investment managers would adapt their strategy, policies, processes, organisational structure and product offering to better incorporate Just Transition considerations and provide positive contribution by their capital allocation activities. The result of such review will be part of a larger exercise to analyse the state of play of the Just Transition integration by the financial services sector. A successful collaboration with the consultant in this work might lead to further work in the area, if deemed adequate by Social Finance and Green Jobs.

Activities

The consultant will be responsible for the following activities:

- Research the main initiatives, good practices and potential gaps related to integrating Just Transition considerations in investment activities, including but not limited to the following areas:
 - Financial service providers, including institutions exposed to the regions that are highly dependent on fossil fuels;
 - b. Academia / think-tanks

- c. UN system
- d. Other relevant actors (e.g. regulators; workers' and employers' organizations; standard setters; index, rating and research providers; stewardship services providers; professional associations; multi stakeholder platforms; networks; etc.)
- Elaborate on the business case for integrating Just Transition considerations for different types of investors (depending on the type of organisation, shareholder structure, type of mandate, regional exposure, asset class exposure, end-client, level of ESG integration);
- Provide an overview of the Just Transition related initiatives and guidance materials and the areas which they cover, with an emphasis on:
 - How financial service providers are implementing or making use of the guidance materials and tools provided by such Just Transition-related initiatives in their operations (distinguishing by type of the organisation and its mandate);
 - State of play of current integration of Just Transition considerations by different types of investors and intermediaries in the investment management ecosystem;
 - Identification of the actors demonstrating the highest awareness of Just Transition topic and implementing it in their strategies.
- Liaise with the ILO's Social Finance and Green Jobs to receive feedback on the research (particularly with the ILO's Technical Officer for Just Transition and Sustainable Finance).
- Finalize the report in coordination with the Social Finance and Green Jobs.

Deliverables, timeline and payment

We estimate the activities listed above should take 12 - 15 work days by the selected consultant, with the following deadlines:

1. Draft report: 30 November 2021
2. Final report: 10 December 2021

A first payment of 60% of the contract value will take place upon submission of the draft report, with the remaining 40% being paid upon submission and written acceptance of the final report.

Requirements / qualifications

- A minimum of 7 years of relevant professional experience.
- Experience in the financial services, particularly on sustainable investment topics (e.g. green finance, social and environmental risk, impact management, etc.).
- Experience in sectors and regions more affected by climate change and energy transition.
- Excellent research, analytical and writing skills, dealing with complex concepts in a clear and concise manner.
- Fluency in English.

Application process

Applications should be submitted via email until 12 October 2021 to socialfinance@ilo.org

Applications should include:

- Consultant's CV
- Approach to the research (including available start date) and all-inclusive budget (in USD) - (maximum 2 pages)
- List of references - (minimum 3)

Contact details

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