

► Building back greener

How to ensure a Just Transition that works for everyone

2nd G7 Employment Task Force Meeting - April 22-23, 2021

Moustapha Kamal Gueye, Global Coordinator, ILO Green Jobs Programme



Outline

- ▶ Climate change and its impacts on the world of work
- ▶ Why a green recovery and why it is not happening (yet)
- ▶ Making a green recovery possible



Main messages

- ▶ Unabated climate change will cause greater risks to employment, occupational health and labour productivity, while **ambitious responses to the climate crisis can deliver more and better jobs**, through a just transition for all.
- ▶ The response to the COVID-19 crisis is a key opportunity to **build resilience against climate risks**. Investing in a green recovery from the COVID-19 has the potential to stimulate economic growth, generate decent work and reduce the ecological footprint.
- ▶ However, current patterns of spending on the crisis response is not taking a green direction, missing an important opportunity to build back greener. As governments turn efforts towards recovery, **more spending needs to be directed towards a green recovery**.

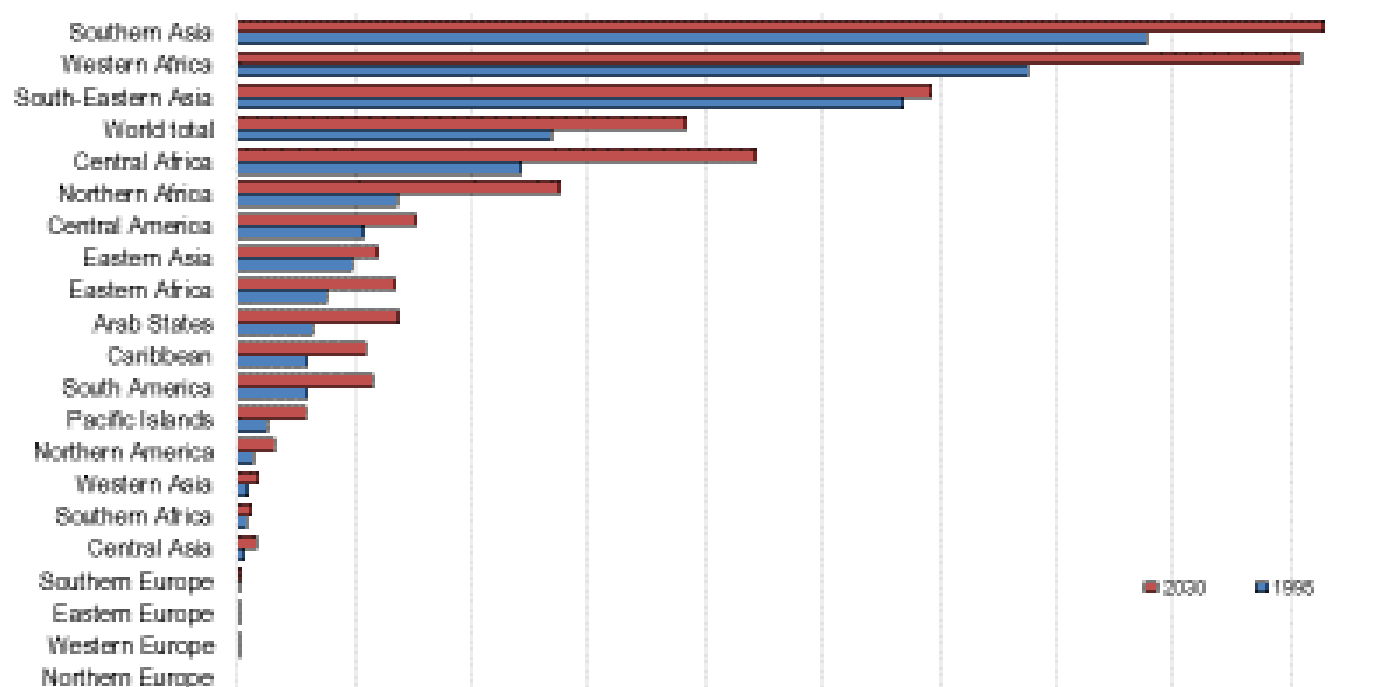


► Climate change and its impact on the world of work



Heat stress and labour productivity

Heat stress under a 1.5°C scenario, 2.2% of work hours will be lost in 2030, equivalent to 80 million full time jobs.



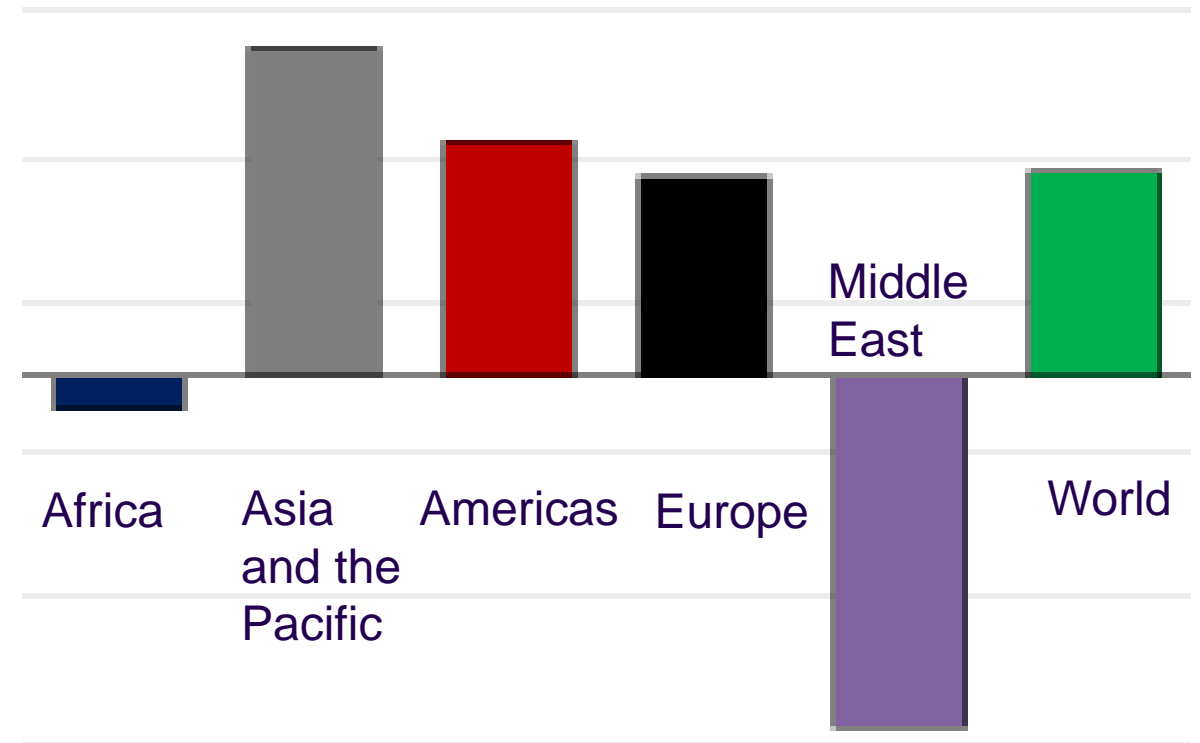
- Need to design, finance and implement national policies to address heat stress risks and protect workers
- Adequate infrastructure
- Improved early warning systems for heat events
- Implementation of international labour standards on OSH

Source: ILO, *Working on a warmer planet: The effect of heat stress on productivity and decent work*, 2019

Transition to a low-carbon economy: Net employment gain, with regional disparities

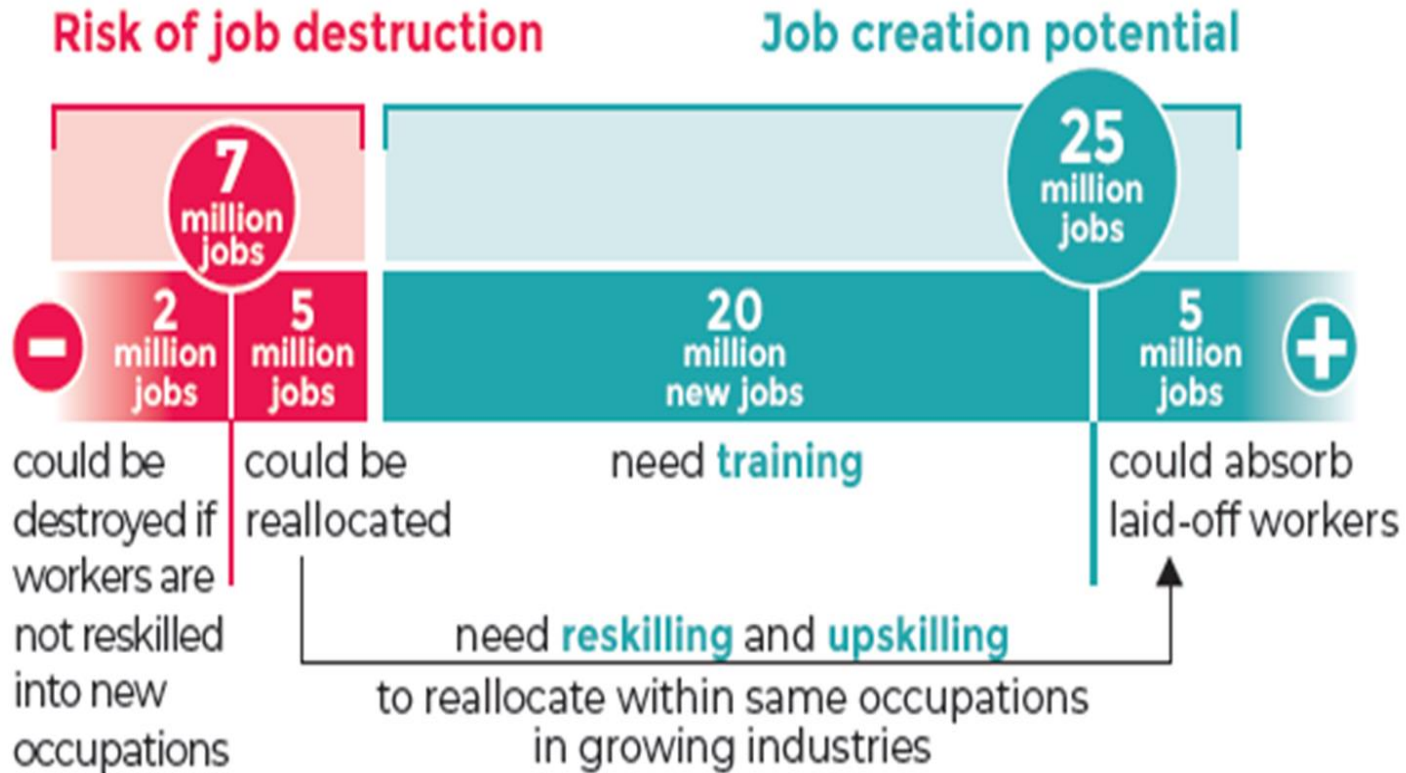
- ▶ Achieving the 2-degree target brings net employment gains of **18 million new jobs**
- ▶ Some regions will experience employment creation, others loss of employment
- ▶ Important reallocation:
 - Away from fossil fuels towards renewables
 - Within the mining and manufacturing sector towards inputs for electrical machinery

18 million net job gain with the implementation of the Paris Agreement in the **energy sector**

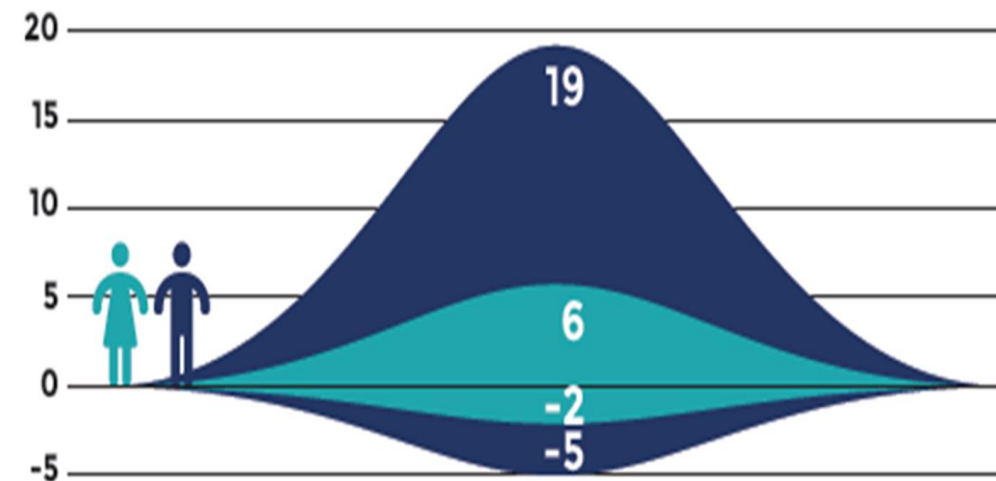


Source: ILO (2018) Greening with jobs – World Employment and Social Outlook

Potential job growth



Job change by gender

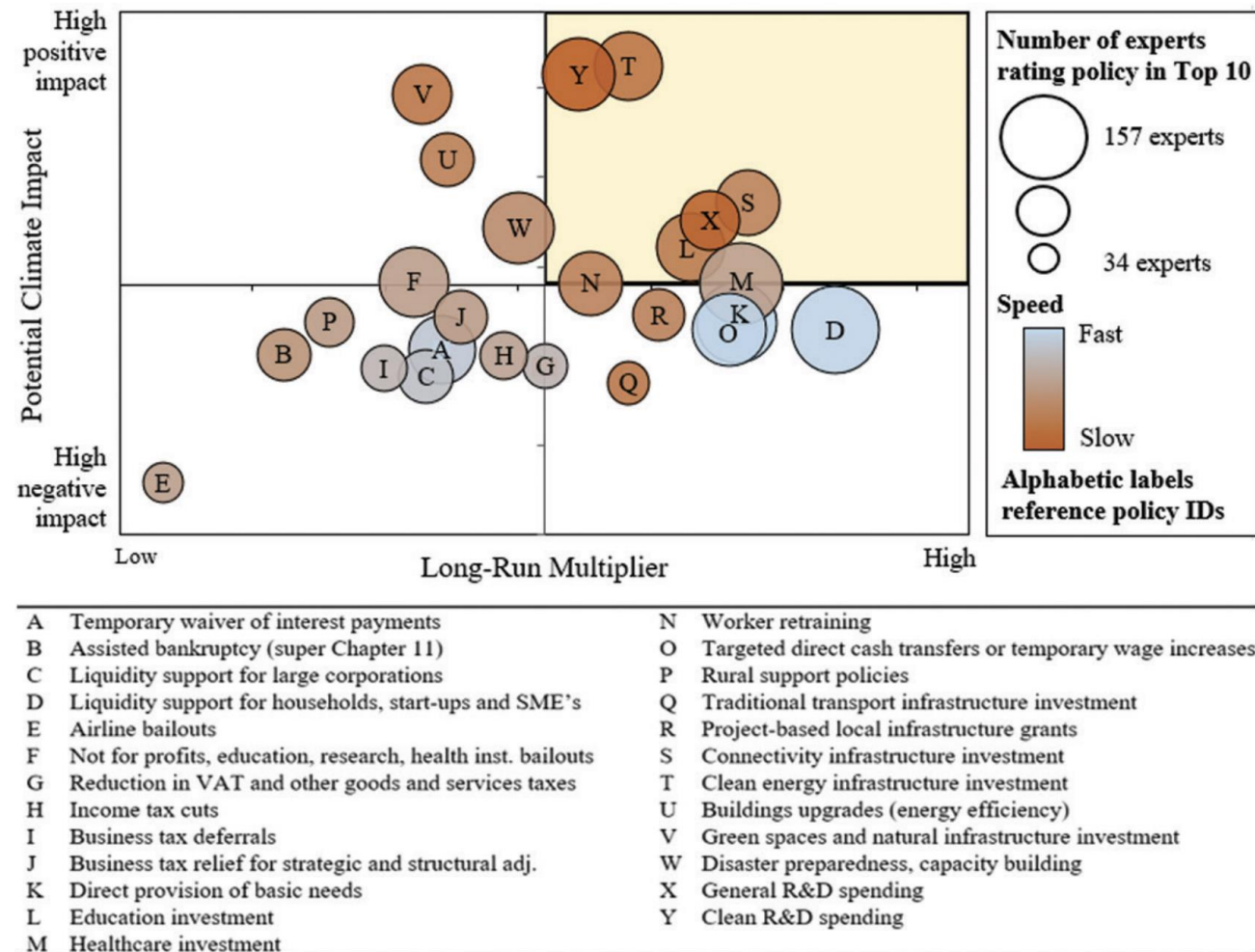


► Why a green recovery and why it is not happening (yet)



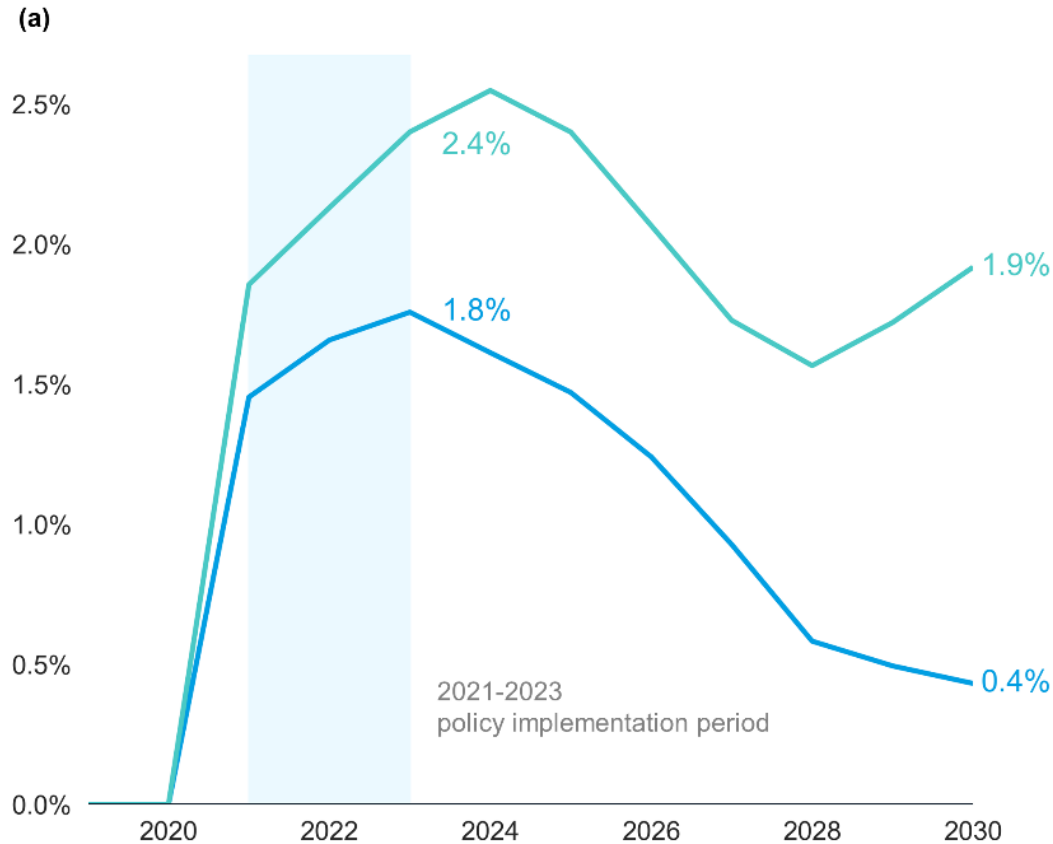
Why a green recovery

- Spending on clean energy has an impact on GDP that is about 2 – 7 times stronger than spending on non-eco-friendly energy. (*IMF, 2021*)
- Investing in nature conservation has multipliers of up to 7 over five years. Spending to support unsustainable land uses has negative returns. (*IMF, 2021*)
- Green R&D spending has high growth and positive climate/nature/pollution multipliers.

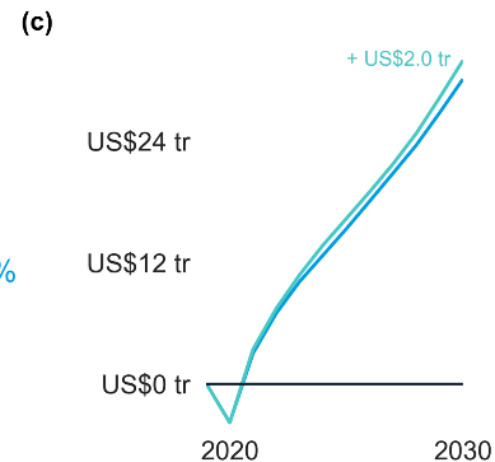
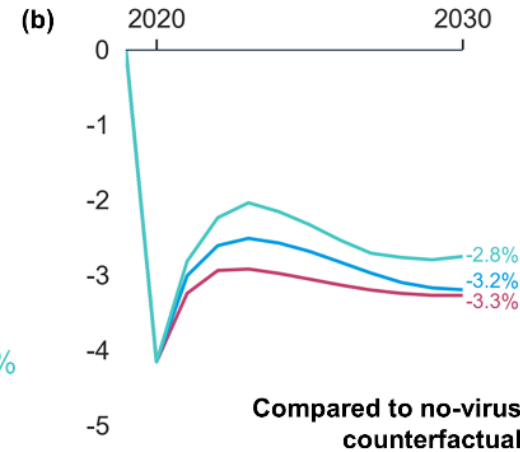


Source: Hepburn et al. 2020

● Baseline ● VAT recovery scenario ● Green Recovery Plan

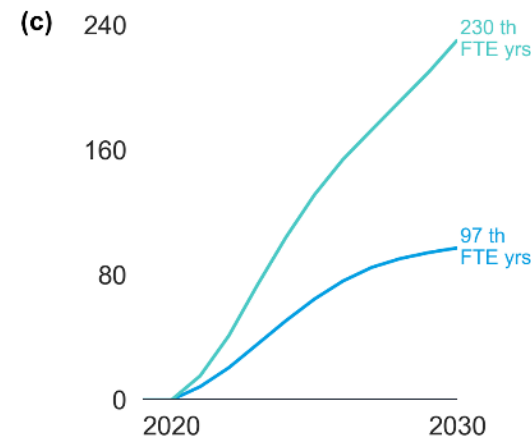
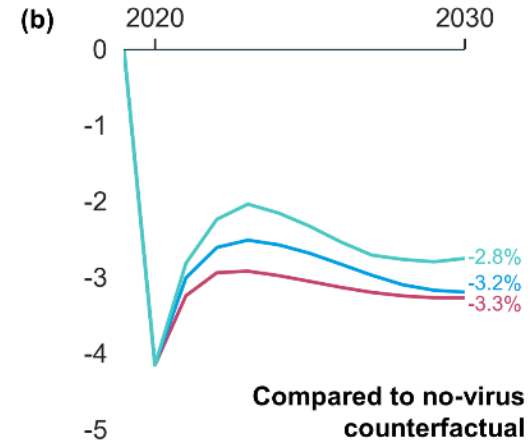
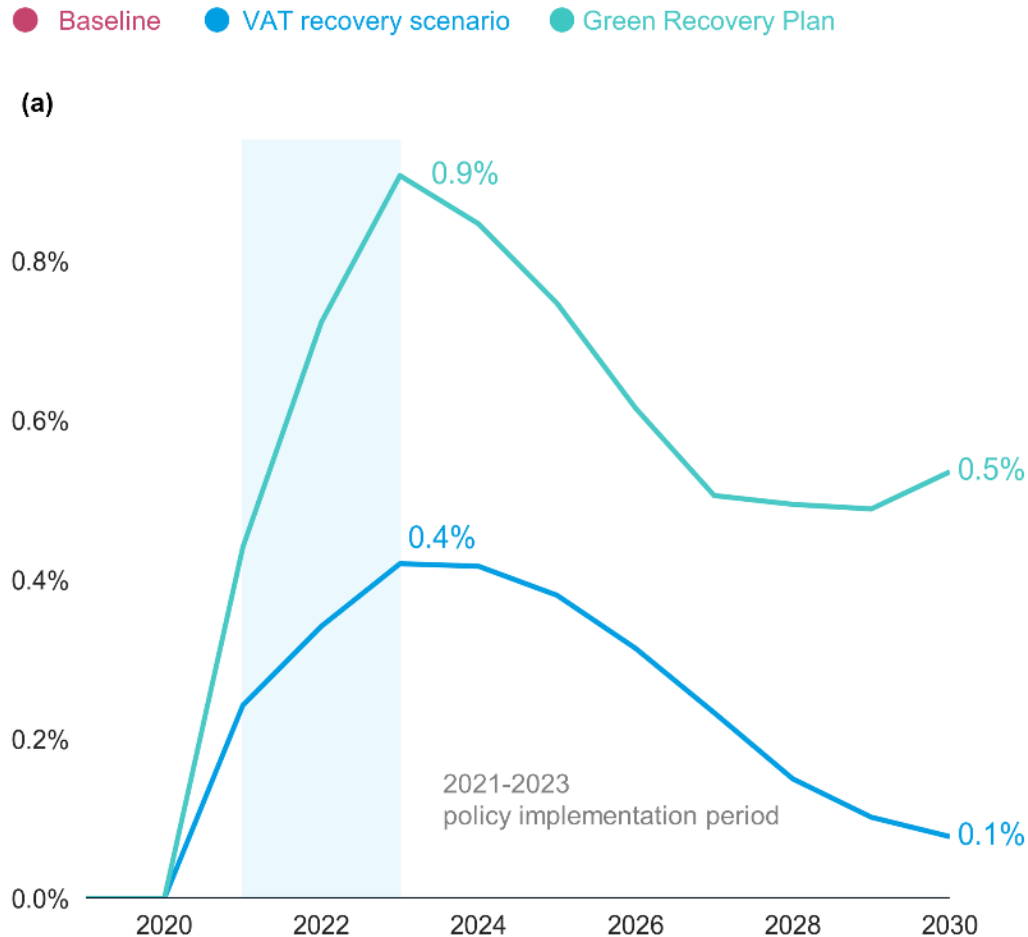


Potential impact, compared to baseline

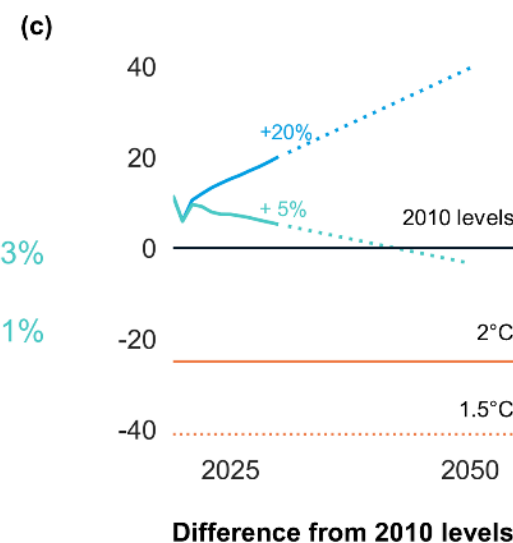
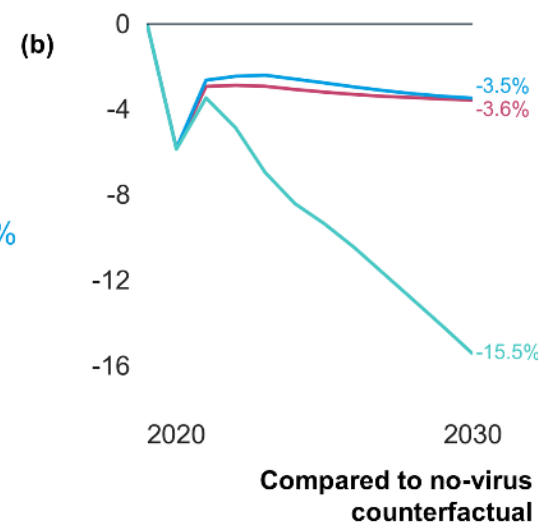
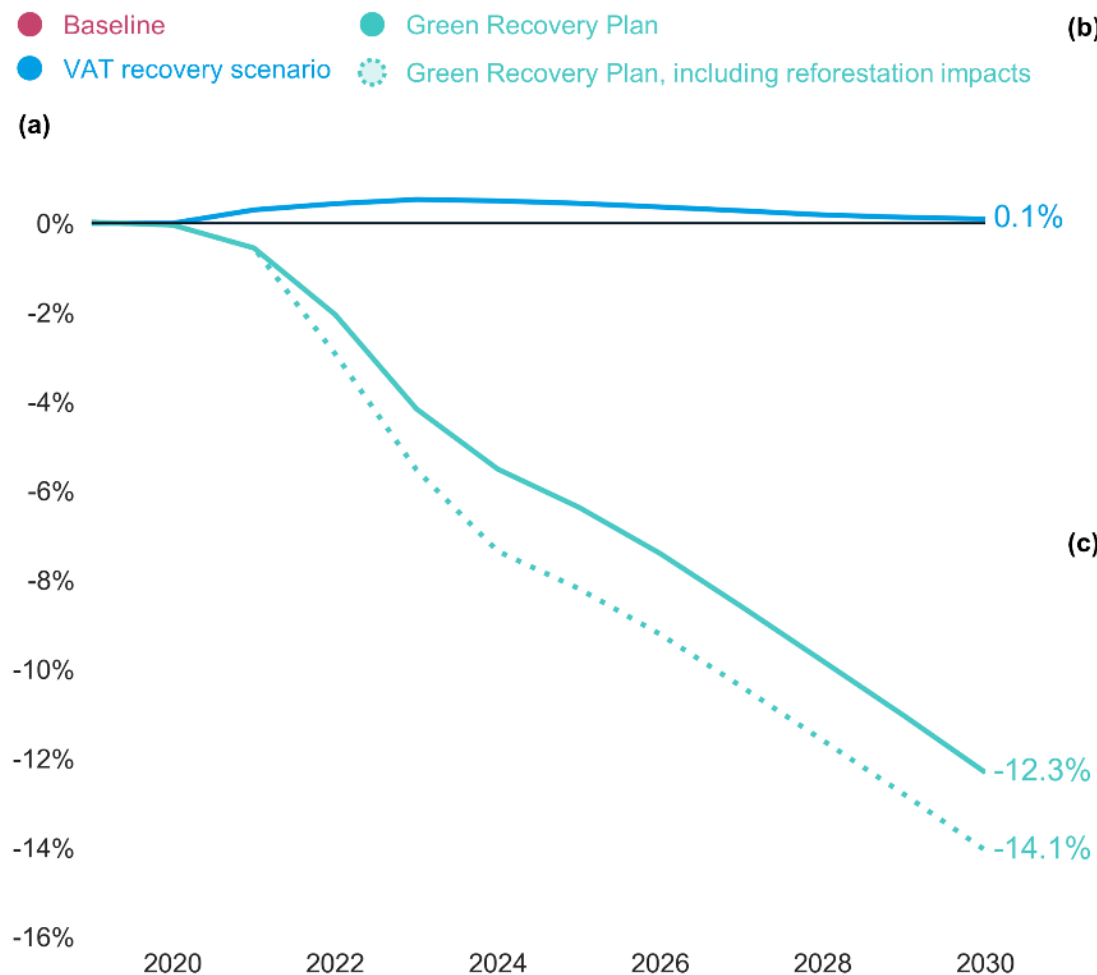


Compared to 2019

- Green Recovery gives global GDP a boost that is stronger...
- ... and more persistent after policy measures are phased out..
- ... but the scale of the program is not large enough to return GDP to its pre-pandemic path



- Similar pattern of impacts for employment as for GDP
- Investments in **renewable energies, building efficiency and green transport** would add **20.5 million jobs** by 2030, compared to **3 million jobs** under business as usual.



- 'Colourless' (VAT cut) recovery sees rebound in emissions
- Green Recovery achieves substantial cut in emissions...
- ... although more to do to keep warming to 1.5-2° C

UN Secretary General Six Climate-Positive Actions to help rebuild economies from COVID-19 Pandemic



Invest In Green Jobs

Invest in sustainable jobs and businesses through a clean and just transition. Investments must accelerate the decarbonization of all aspects of our economy.



No Bailout For Polluting Industries

Do not bailout polluting industries unless these industries commit to become Paris aligned.



End Fossil-Fuel Subsidies

Fossil fuel subsidies must end, carbon must have a price to deliver a market-driven shift to a decarbonized economy. Polluters must pay for their pollution that is harming communities, employees, and consumers.



Climate In All Decisions

Take climate risks and opportunities into account in all financial and policy decisions.



Work Together

Work together to recover better.

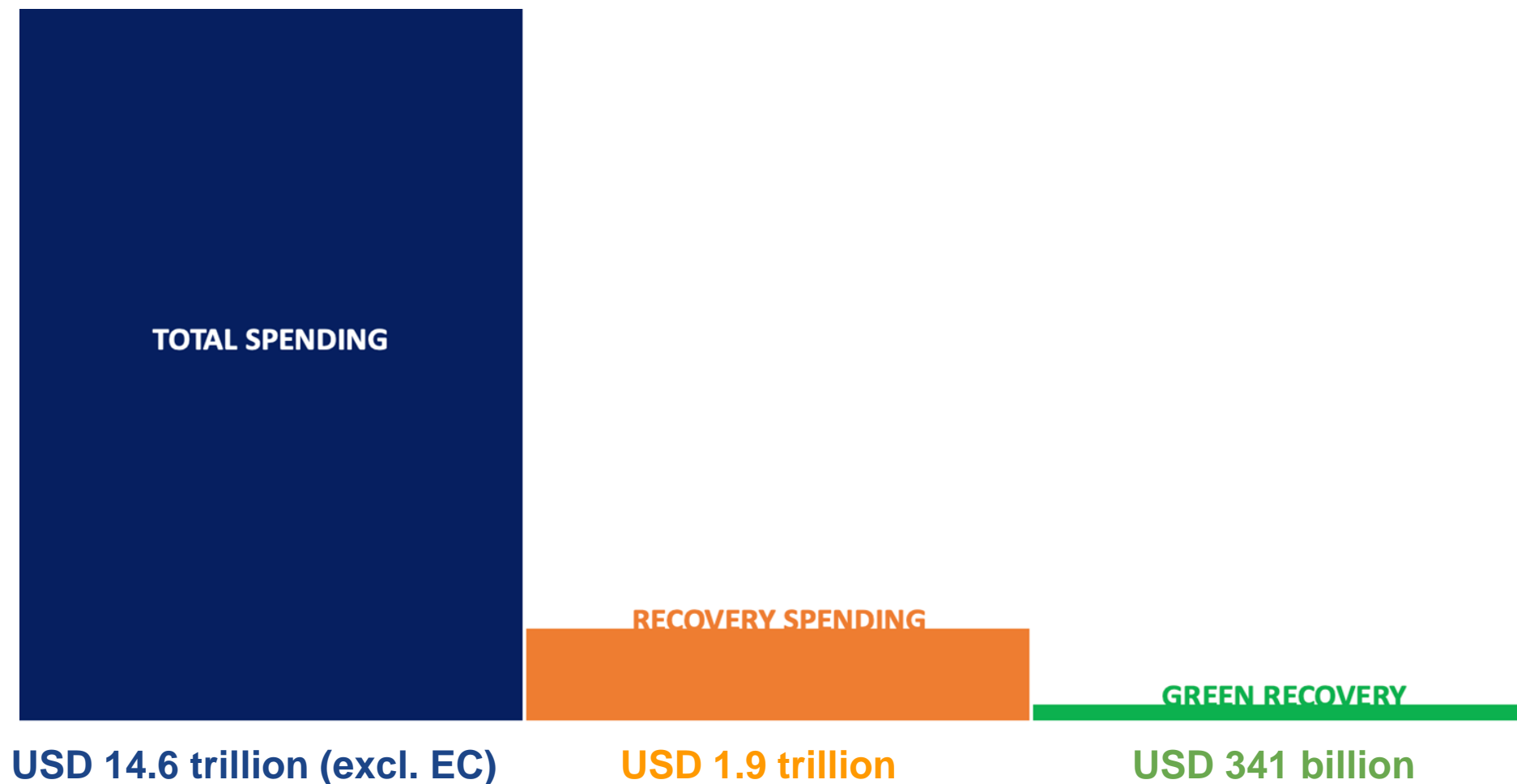


Leave No One Behind

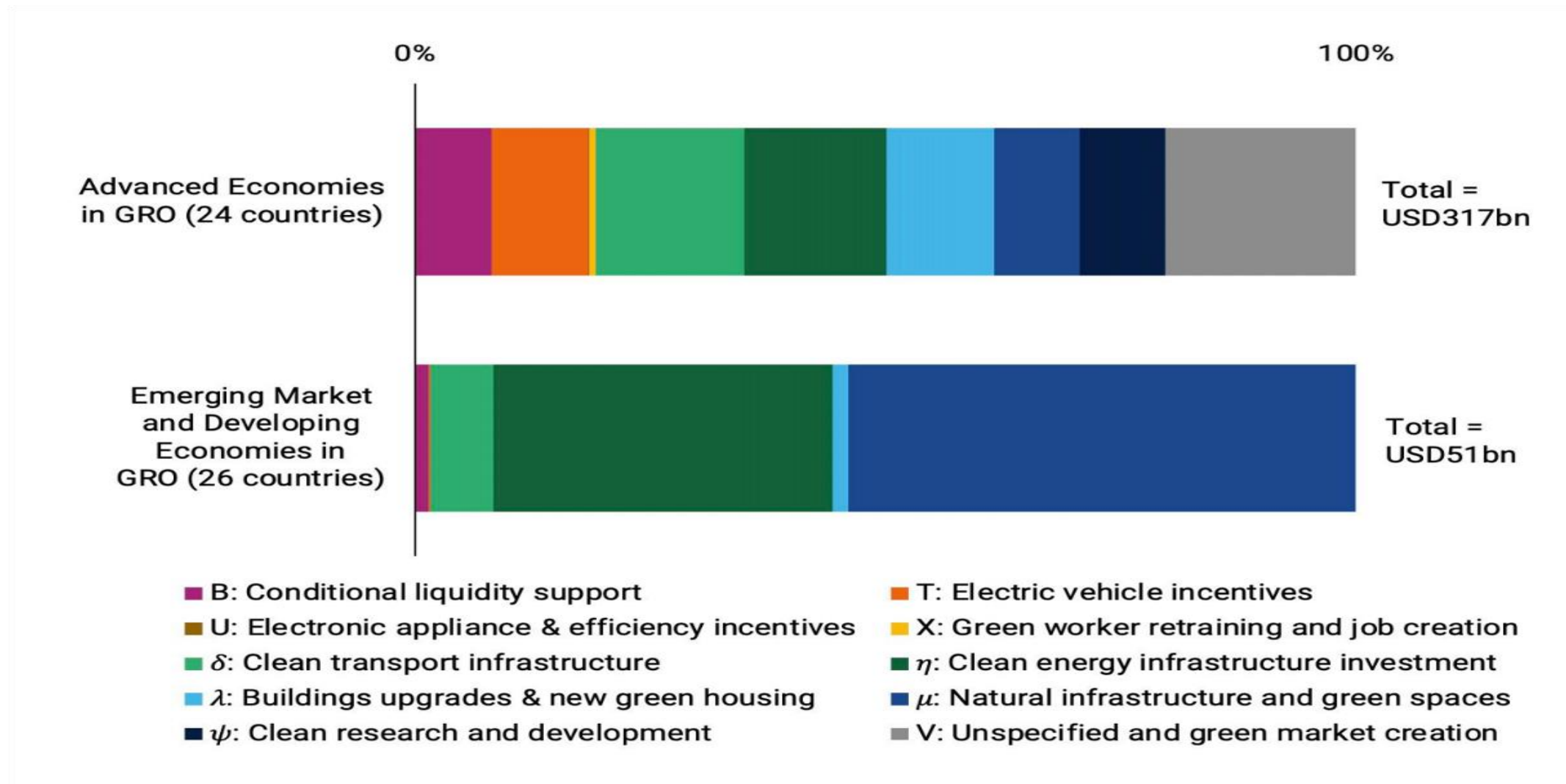
The transition to a carbon neutral economy must be fair and inclusive. We must leave no one behind. And we must ensure that more women are in decision-making positions



Global green recovery response to date



Profile of total green spending across countries





▶ Making a green recovery possible

Catalyzing an inclusive green recovery

Investing in Nature

- investments in public works and ecosystem restoration
- Restorative agriculture and food systems
- Integrating nature in national economic policymaking processes and global socio-economic dialogues

Financing an Inclusive Green Recovery

- Greening budgets, repurposing environmentally harmful subsidies;
- Enabling environment for private sector green finance through incentives and standards
- Debt-for-Nature/debt-for-Climate swaps, green/blue bonds

Just Transition for All

- Just and Green Jobs
- Embedding the Leave No One Behind principle in inclusive green recovery policy
- Sustainable infrastructure and renewable energy transitions
- Resource efficiency and circularity investments

Human Capability and Social Equity

- Social protection floors
- Education and bridging the digital divide
- Fiscal reforms for fairer and more equal opportunities in education, health and environment
- Human rights and rights-based approaches

► Partnership for Action on Green Economy (PAGE)

- Launched in 2013 as a response to the call at Rio+20 to:
 - Put sustainability at the heart of economic policies to advance the 2030 Agenda for Sustainable Development
 - support nations and regions in reframing their policies and practices around sustainability *to foster economic growth, create income and jobs, reduce poverty and inequality and strengthen the ecological foundations of their economies*
- Operates in 20 partner countries



► The Climate Action for Jobs Initiative

Announced by the UN Secretary-General in Sept. 2019 and launched at COP25, 12 December 2019

Initiative to boost climate action by ensuring that people's jobs and well-being are at the centre of the transition to a carbon-neutral and climate-resilient economy.

- Enable ambitious climate action that delivers decent jobs and advances social justice.
- Support countries on bold solutions for a transition towards a sustainable future that is just and enjoys broad-based support.
- Facilitate an inclusive and sustainable recovery from the COVID-19 crisis



Useful Information / Further Resources

▶ [ILO Just Transition Guidelines](#)

[Climate Action 4 Jobs initiative](#)

[ILO Social Finance Program](#)

[ILO World Employment and Social Outlook:
Greening with Jobs](#)

[Nature Hires; How Nature-based Solutions can
power a green jobs recovery](#)

[Skills for a Greener Future](#)

[How are Countries Investing in Recovery?](#)

[Joint SDG Fund](#)

[Green fiscal policy network](#)

[The Little Book of Investing in Nature; A simple
guide to financing life on Earth](#)

[Are We Building Back Better? Evidence from 2020
and Pathways for Inclusive Green Recovery
Spending](#)

[FAO Climate Smart Agriculture Sourcebook](#)

[FAO-GEF portal](#)

[FAO-GCF portal](#)

[Adaptation Fund portal](#)