

ILO submission to the call for Inputs by the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures

Dated 31 January 2022
Referenced MTP/O/KCI/Inputs

The International Labour Office (ILO) presents its compliments to the KCI and wishes to respond to the call for inputs on the following activities:

- 1. *Workplan Activity 9: “Identify and assess the impacts of the implementation of response measures taking into account intergenerational equity, gender considerations and the needs of local communities, indigenous peoples, youth and other people in vulnerable situations” as per annex I by 31 January 2022;***

Parties and observers are invited to provide information on:

- a) *Description of the policy or measure related to a pathway to holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels;***

1.a) Description of Policy:

Policies or measures include emission reduction policies related to the four main emission sources as defined by the IPCC 2006 Guidelines, notably Energy (mainly split into electricity and transport), IPU, AFOLU and Waste. Concrete examples include:

- Energy:
 - energy policy tax reform (carbon/energy tax). They can be fiscally neutral and job creating by rechanneling tax receipts to reduce labour costs, invest into green skills training and/or compensate low-income households most impacted.
 - renewable energy investments and subsidies linked to skills for green jobs retraining and training programmes
 - energy technology standards and emission regulations linked to skills for green jobs retraining and training programmes
 - energy technology related trade policies linked to industrial infant industry and enterprise support policies
 - government investments and policies to increase public and mass transport.
- IPU:
 - Technology and emission standards and regulations linked to skills for green jobs retraining and training programmes
- AFOLU:
 - Agricultural policies related to the promotion or mandatory practice of climate smart and/or organic farming through extension services focussing on green skills of farmers

- Agricultural subsidy reform to produce organic fertiliser versus the use of chemical fertiliser linked to enterprise development to produce the fertilizers and job training programmes
 - land reform to give land ownership and management to indigenous peoples,
 - Social protection schemes and payments conditional on the preservation of natural assets
 - deforestation bans and reforestation and afforestation policies linked to indigenous peoples support, training and public work programmes
 - Public work programmes to hire underutilized labour resources to build natural capital of all sorts related to water, coast, marine environment, forests and land.
 - Waste:
 - Laws, regulations, subsidies and taxes to reduce all sorts of waste streams and increase the domestic and industrial reduction, repurposing and recycling of all sorts of materials through skills training
 - Business reform to increase collection and recycling through the allocation of waste management rights and contracts to cooperatives.
- b) Socioeconomic impacts of the policy or measure taking into account intergenerational equity, gender considerations and the needs of local communities, indigenous peoples, youth and other people in vulnerable situations, including a short description of tools and methods used to assess the impacts, and primary data and knowledge collection where appropriate.**

1.b) Socioeconomic impacts may consist of:

- Direct job creation in green industries, notably renewable energies, public and electric transport, green manufacturing and green industrial processes, green and climate smart agriculture, sustainable forestry and fishing, waste management and recycling.
- Indirect job creation in the supply chains which provide inputs to green industries
- Induced job creation through the spending of the income on consumption and investment from the newly created jobs and enterprises
- Forward linked job creation through the productive use of green technologies, services and natural capital created
- Job losses in declining industries
- Changes in the skills and occupations in the labour market and changes in training and retraining needs
- Changes in labour market participation rates and the composition, notably of men and women, youth, indigenous peoples, disadvantaged groups and income groups in the labour market due to the green structural change
- Changes in the size and composition of regional labour markets and opportunities in negatively and positively impacted regions due to green structural change
- Changes in income in household income groups due to the structural change

Tools and methods to be used:

- It is of utmost importance to assess impacts for each and every country individually

- It is of equal importance to base the assessment on national data, involving national capacity and using a nationally calibrated model
- The reason is that each and every country / economy has a different economic, social, political and environmental structure.
- Impacts in one country may be different from another country even with the same climate policy enacted
- It is of further importance to choose a method and model capable to assess a *structural change* in the economy in the future.
- The reason is that if one assumes the *current* structure of the economy into the future, all changes made to the model will result in a sub-optimal results (GDP and job losses).
- Therefore, *nationally calibrated structural simulation models* should be used with following features:
 - National Accounts data following the SNA 2008
 - National Industry classification following ISIC
 - National Supply and Use (SUT) or Input Output Table (IOT) following the [UN statistics Handbook on Supply and Use Tables and Input Output-Tables with Extensions and Applications](#)
 - National Labour Force Surveys harmonized with the ISIC and integrated into the SUT as extensions
 - National Emissions Inventory harmonized with the ISIC and integrated into the SUT as extensions
 - Allowing for non-market clearance and disequilibria (e.g unemployment) and feedback from demand on the economy because this is a reality
 - Allowing for projections of climate policies year-by-year into the mid to long term future
 - Allowing, at a minimum, for the integrated assessment of impacts in relation to outcomes of the labour market, gender, age groups, household income, economy and emissions
 - And, if possible and relevant in the national context, extend assessment to skills and occupations following ISCO, social protection, enterprises and indigenous peoples and any other indicators of the labour market of interest to the country
- The ILO Green Jobs Assessment Network (GAIN) developed an [approach and training guidebook for nationally calibrated structural simulations models](#)

Further Literature

- The ILO is engaged to produce three major research products per country:
 - Country Fact Sheets on the Climate-Employment nexus, Asia and Pacific has most countries covered available here https://www.ilo.org/asia/publications/issue-briefs/WCMS_624557/lang--en/index.htm
 - Rapid Situational Analysis and identification of Just Transition Policies, currently under development.
 - Green Jobs Assessment Model (GJAM) Reports quantifying climate change policies' impacts on employment, economy and social outcomes. Country reports can be

found here <https://www.ilo.org/global/topics/green-jobs/areas-of-work/gain/reports/lang--en/index.htm>

- The ILO also published a Training Guide on How to measure and model social and employment outcomes of climate policies, here https://www.ilo.org/global/topics/green-jobs/publications/WCMS_613934/lang--en/index.htm
- The ILO produced following global flagship reports on Climate Change impacts and Just Transition, including individual country analysis:
 - World Employment and Social Outlook Greening with Jobs 2018 (aggregated at regional level and including cross-border impacts) https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_628654.pdf
 - International Labour Review 2019: Does climate action destroy jobs? An assessment of the employment implications of the 2-degree goal (cross border impacts included) <https://onlinelibrary.wiley.com/doi/full/10.1111/ilr.12118>
 - Skills for Green Future 2019 (aggregated at regional level, cross border impacts as well as 31 individual countries) https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_732214.pdf
 - The impact of Heat Stress on Productivity 2019 (for 180 individual countries) https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_711919.pdf

Following stakeholders are suggested for collaboration with the KCI to implement above activities:

- The Green Jobs Assessment Institutions Network GAIN which can be accessed here and has following members <https://www.ilo.org/global/topics/green-jobs/areas-of-work/gain/about/lang--en/index.htm>
- The Climate Action for Jobs Initiative and its members <https://www.climateaction4jobs.org/>