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## Update on the ILO's engagement in the Conference of the Parties to the United Nations Framework Convention on Climate Change

**Summary:** The present document provides information regarding the ILO's engagement in the work of the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change and its follow-up actions in that regard, with a view to keeping the Governing Body abreast of the Office's work in the area of climate action and jobs.

**Author unit:** Enterprises Department (ENTERPRISES).

**Related documents:** None.

## ▶ Introduction

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1. The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) was held from 6 to 20 November 2022 in Sharm el-Sheikh, Egypt, at what was a critical moment for advancing ambitious and urgent action against climate change. The Egyptian presidency of COP27 set priority objectives around the themes of climate change mitigation, adaptation, finance and collaboration.
2. The ILO and its tripartite constituents actively engaged in the work of COP27 to maintain a continuous focus on the employment and social dimension of climate change. The ILO called on the Parties to:
  - (a) integrate clear and concrete measures to promote decent work and advance a just transition for all in short- and long-term plans towards net zero emissions by 2050, drawing on the ILO *Guidelines for a just transition towards environmentally sustainable economies and societies for all*; <sup>1</sup>
  - (b) effectively reflect the objectives of decent work and a just transition in all aspects of the implementation of the Paris Agreement, including with regard to climate change mitigation, adaptation and resilience, discussions on Article 6 of the Paris Agreement and the impact of the implementation of response measures;
  - (c) join the coalition of 49 countries that have made a commitment to formulate national policies for a just transition, ensuring that decent work, gender equality and inclusion and livelihoods are at the centre of global and national climate action.

## ▶ Key outcomes of COP27

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3. COP27 concluded with a package of important decisions on climate change mitigation, adaptation, finance, loss and damage, and collaboration. <sup>2</sup> Some of the key outcomes and their relevance to the work of the ILO are outlined below.
  - (a) **Mitigation:** Discussions on climate change mitigation focused on keeping alive the target of the Paris Agreement to limit the increase in the global average temperature to 1.5°C above pre-industrial levels, and on scaling up and accelerating action to achieve that target. Overall, the Conference of the Parties called for the acceleration of “efforts towards the phase-down of unabated coal power and phaseout of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognizing the need for support towards a just transition”. <sup>3</sup>
  - (b) **Adaptation:** Negotiations on climate change adaptation aimed to advance the ambition to adopt a global goal on adaptation for the effective implementation of the Paris Agreement and to increase adaptation finance to 50 per cent of all climate financing. The

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<sup>1</sup> ILO, *Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All*, 2015.

<sup>2</sup> United Nations Framework Convention on Climate Change (UNFCCC), “Decisions taken at the Sharm El-Sheikh Climate Change Conference – Advance unedited versions”.

<sup>3</sup> UNFCCC Secretariat, *Sharm el-Sheikh Implementation Plan*, Advance unedited version, para. 28.

negotiations led to an agreement that further work is required on the understanding of the global goal on adaptation and its operationalization.<sup>4</sup>

- (c) **Loss and damage:** A breakthrough at COP27 was the decision to establish a specific fund for loss and damage for vulnerable countries hit hard by climate disasters. The scope of loss and damage associated with the adverse effects of climate change concerns “economic and non-economic losses, including forced displacement and impacts on cultural heritage, human mobility and the lives and livelihoods of local communities”.<sup>5</sup>
- (d) **Finance:** The goal of developed country Parties to mobilize jointly US\$100 billion per year by 2020 in the context of meaningful mitigation action and transparency on implementation remains unmet. However, the negotiations resulted in an important call on the shareholders of multilateral development banks and international financial institutions to reform their practices and priorities, align and scale up funding, ensure simplified access and mobilize climate finance from various sources.<sup>6</sup>

## ▶ ILO engagement and results

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### The ILO’s engagement in the work of COP27

4. The delegation of the ILO to COP27 consisted of officials from relevant technical departments and field offices who participated in the negotiations as United Nations (UN) observers. Such engagement took place through informal inputs provided to Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and other constituencies, including trade unions, business and industry, and youth non-governmental organizations. Bilateral meetings, consultations and discussions were held with multiple government, employer and worker representatives,<sup>7</sup> with representatives of several UN and other international organizations and coalitions,<sup>8</sup> and with representatives of a number of multilateral development banks and international financial institutions.<sup>9</sup>
5. An informal group called “**Friends of a Just Transition**” was set up by the ILO, which brought together Parties and observer organizations with an interest in the theme of a just transition

<sup>4</sup> Sharm el-Sheikh Implementation Plan, paras 33–43.

<sup>5</sup> Sharm el-Sheikh Implementation Plan, para. 44.

<sup>6</sup> Sharm el-Sheikh Implementation Plan, paras 57 and 61.

<sup>7</sup> Representatives of the Governments of: Barbados, Egypt, Germany, Ghana, Indonesia, Lebanon, Nigeria, Philippines, Singapore, South Africa, Spain, Sudan, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland and United States of America; the European Union; the International Organisation of Employers and its members, the International Chamber of Shipping and the Federation of Egyptian Industries; and the International Trade Union Confederation and its affiliates, the Quebec Federation of Labour, the International Transport Workers’ Federation and the Building and Wood Workers’ International.

<sup>8</sup> Representatives of the Office of the UN Resident Coordinator in Egypt, the International Organization for Migration, the Office of the High Commissioner for Human Rights, the UN Environment Programme, the UN Development Programme, the European Commission, the Climate Vulnerable Forum and the Vulnerable Twenty Group, the World Benchmarking Alliance and Women in Informal Employment: Globalizing and Organizing.

<sup>9</sup> The African Development Bank, the Asian Development Bank, the European Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank and the Islamic Development Bank.

to promote collective action to advance the goals of decent work and a just transition in the climate negotiations.

6. The ILO hosted the first ever **Just Transition Pavilion** together with the European Commission. The Pavilion brought together key partners such as the International Trade Union Confederation, the International Organisation of Employers and the UNFCCC Secretariat. It hosted some 40 events with more than 30 partnering organizations, including government representatives, workers' and employers' organizations, researchers, civil society and young people.<sup>10</sup> In addition, the ILO delegation promoted consideration of the social dimensions of climate change across other events, involving more than 100 engagements over two weeks. A few of the highlights include:
  - the launch of the Just Transition Finance Tool for banking and investing activities;<sup>11</sup>
  - the launch of the Green Jobs for Youth Pact;<sup>12</sup>
  - the announcement of the winners of the ILO–Islamic Development Bank Innovation Challenge;<sup>13</sup>
  - the pre-launch of the joint report by the ILO, the UN Environment Programme (UNEP) and the International Union for Conservation of Nature (IUCN) entitled *Decent Work in Nature-based Solutions 2022*;<sup>14</sup>
  - the launch of a practical guidance tool for greening technical and vocational education and training and skills development;<sup>15</sup>
  - the launch of a series of Just Transition Policy Briefs.<sup>16</sup>
7. The Pavilion included a **Just Transition Knowledge Hub**, which featured exchanges between just transition practitioners (13 in total) and interested stakeholders as well as an online questionnaire for constituents and other actors to ask questions to and get replies from ILO experts.

## Engagement results

8. The ILO's engagement led the Conference of the Parties to reflect decent work and just transition objectives in several key outcome documents. Four COP27 decisions are particularly important for the ILO, as described below.
  - (a) The **Sharm el-Sheikh Implementation Plan** sets forth a new work programme on a just transition. Of chief importance is a specific mention that "sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue and participation of all stakeholders".<sup>17</sup> In addition, the work programme notes that "just and equitable transition encompasses pathways that include energy, socioeconomic,

<sup>10</sup> Details of the events held at the Just Transition Pavilion can be found on the [ILO Live website](#).

<sup>11</sup> ILO and LSE Grantham Research Institute, *Just Transition Finance Tool for Banking and Investing Activities*, 2022.

<sup>12</sup> Climate Action for Jobs Initiative, "Launching the Green Jobs for Youth Pact at COP27".

<sup>13</sup> ILO, "Youth Initiatives Win IsDB–ILO Prizes for Innovative Ideas on Green Jobs and Skills", press release, 13 November 2022.

<sup>14</sup> ILO, UNEP and IUCN, *Decent Work in Nature-based Solutions 2022*, 2022.

<sup>15</sup> ILO, *Greening TVET and Skills Development: A Practical Guidance Tool*, 2022.

<sup>16</sup> ILO, "Just Transition Policy Briefs".

<sup>17</sup> Sharm el-Sheikh Implementation Plan, para. 50.

workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition”.<sup>18</sup>

- (b) In its decision on the **intermediate review of the implementation of the gender action plan**, the Conference of the Parties notes the technical paper prepared by the ILO exploring linkages between gender-responsive climate action and just transition for promoting inclusive opportunities for all in a low-emission economy and invites the ILO to consider organizing a workshop or dialogue focused on the same topic.<sup>19</sup> This is an important recognition of the ILO’s work to shed light on gender and just transition aspects of climate action, resulting in an opportunity for the ILO to convene a formal event under the auspices of the UNFCCC on the subject.
- (c) In its decision on the **report of the forum on the impact of the implementation of response measures**, the Conference of the Parties expresses gratitude to the ILO for supporting regional workshops and for training Parties to the UNFCCC on the employment impacts of climate responses. It calls for the development of new skills through targeted training, retooling, retraining and reskilling; and encourages Parties, observer organizations and other relevant stakeholders to engage the private sector, including small and medium-sized enterprises, to facilitate the identification and exchange of experience and best practices to promote the creation of decent work and quality jobs in new industries and businesses.<sup>20</sup> Such work items position the ILO well to continue its effective and ongoing collaboration with the UNFCCC Secretariat.
- (d) In its decision on **guidance to the Green Climate Fund**, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement responds to a long-standing demand from the ILO for the Green Climate Fund to consider financing for just transition projects. The decision requests the Board of the Fund “to consider how to enhance support for just transitions of developing countries across economic sectors and transition to resilient economies, and how to provide better access to climate finance and enablers of just transitions, to the extent that this is in line with the existing mandate, investment framework, results framework, and funding windows and structures of the Green Climate Fund.”<sup>21</sup> It paves the way for the ILO to explore collaboration with the Green Climate Fund on financing for just transition projects.

## ► Follow-up actions

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9. **Work programme on just transition:** The Office will consult with the UNFCCC Secretariat, the Parties to the UNFCCC and other UNFCCC constituencies to position the ILO and its tripartite constituents as key actors in the design and implementation of the just transition work programme, based on the ILO’s organizational mandate, its *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, and its technical capacity to

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<sup>18</sup> Sharm el-Sheikh Implementation Plan, para. 51.

<sup>19</sup> UNFCCC Secretariat, [Decision on the intermediate review of the implementation of the gender action plan](#), Advance unedited version, para. 7.

<sup>20</sup> UNFCCC Secretariat, [Decision on the report of the forum on the impact of the implementation of response measures](#), Advance unedited version, paras 28(b) and 29.

<sup>21</sup> UNFCCC Secretariat, [Decision on guidance to the Green Climate Fund](#), Advance unedited version, para. 7.

deliver policy advice and development cooperation in the area of a just transition. In engaging in the UNFCCC's work programme on a just transition, the ILO will also seek to advance the objectives of the Global Coalition for Social Justice and ILO priority action programme on just transitions towards environmentally sustainable economies and societies.

10. **Global stocktake:** The first global stocktake under the Paris Agreement is set to take place in 2023. The Office intends to provide a written submission taking stock of the extent to which decent work and just transition aspects have been integrated in the implementation of the Paris Agreement and providing recommendations for the UNFCCC Parties and other constituencies to consider.
11. **Gender and just transition workshop:** The Conference of the Parties invited the ILO to consider convening a workshop or dialogue on gender and a just transition. The Office envisages consulting with the UNFCCC Secretariat, the COP27 presidency, and the COP28 presidency-designate to discuss modalities and timing of convening such an event, ideally as a COP or COP presidency event.
12. **Just Energy Transition Partnerships:** The Office will seek bilateral exchanges with South Africa and Indonesia, where Just Energy Transition Partnerships are in motion, to further discuss the ILO's possible support on employment and the just transition aspects of coal phaseout, building on the ILO's technical expertise and the tools and projects that can be instrumental in the context of such partnerships.
13. **Green Climate Fund:** In follow-up to the guidance given by the Conference of the Parties to the Board of the Green Climate Fund, the Office will enter into contact with the Secretariat of the Fund and request consultations on how the ILO can contribute to the work of the Fund in relation to a just transition. In this context, the Office envisages a possible fast-tracking of the accreditation of the ILO by the Fund, which is still in the pipeline. In addition, the Office will offer support to the Secretariat of the Fund in integrating a just transition in its portfolio of projects.
14. **Engagement with multinational development banks:** The ILO held constructive discussions with several development banks, as indicated above, to collaborate on just transition initiatives. The Office will strengthen its engagement with the banks concerned to firm up partnerships on a just transition and to leverage its contribution to the policy forums of the G20 and G7, and Brazil, the Russian Federation, India, China and South Africa (the BRICS countries).
15. **Just Transition Finance:** The launch of the Just Transition Finance Tool for banking and investing activities generated a significant interest in its dissemination and application. The Office and its partners aim to conduct a series of webinars to share the tool and discuss its potential application through different groups and networks of stakeholders.