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### SECOND ITEM ON THE AGENDA

## Decent work for sustainable development

#### Purpose of the document

This document surveys some existing challenges to sustainable development, how these affect the world of work and the resilience of societies and how the ILO is contributing to address them. It will provide the basis of the ILO's input to the 2018 UN High-Level Political Forum (HLPF) discussion on the theme "transformation towards sustainable and resilient societies" and the selected Sustainable Development Goals (SDGs). The Governing Body is invited to discuss how the ILO's work supports the realization of those SDGs, with a view to the preparation of the ILO's contribution to the HLPF discussion in July 2018 (see draft decision in paragraph 61).

**Relevant strategic objective:** All.

**Main relevant outcome/cross-cutting policy driver:** Outcome A: Effective knowledge management for the promotion of decent work.

**Policy implications:** Yes.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Yes.

**Author unit:** Multilateral Cooperation Department (MULTILATERALS).

**Related documents:** GB.332/HL/1; GB.332/POL/5.



## Transformation towards sustainable and resilient societies

1. The High-level Political Forum on Sustainable Development (HLPF) of the United Nations Economic and Social Council each year reviews the progress and challenges towards the achievement of the 2030 Agenda for Sustainable Development (2030 Agenda). A theme of discussion is set by the General Assembly every year to reflect the three dimensions of sustainable development and facilitate an in-depth review on progress on all 17 Sustainable Development Goals (SDGs). While all the SDGs are considered from the perspective of the theme, special focus is given each year to a set of SDGs, together with Goal 17 on “means of implementation and partnerships”, which represents a cross-cutting goal.
2. The theme of the July 2018 HLPF review will be “transformation towards sustainable and resilient societies”. The HLPF will examine Goals 6 (water and sanitation), 7 (energy), 11 (cities), 12 (sustainable consumption and production) and 15 (terrestrial ecosystems and biodiversity) and their interlinkages to each other and the other SDGs, concluding with the adoption of a Ministerial Declaration. Last year, the HLPF reviewed Goals 1 (poverty), 2 (hunger), 3 (health), 5 (gender), 9 (industrialization) and 14 (oceans) under the general theme “eradicating poverty and promoting prosperity in a changing world”.<sup>1</sup> In 2019, Goals 4 (education), 8 (decent work and growth), 10 (reducing inequalities), 13 (climate action) and 16 (peace, justice and strong institutions) will be discussed in conjunction with the theme of “empowering people and ensuring inclusiveness and equality”.
3. The 2018 theme and SDG selection place a strong focus on the relationship between the environmental, economic and social dimensions of sustainability. However, it does not include some key environment-related SDGs such as Goal 13 on “combating climate change and its impacts”, which are closely related to the SDGs under review. The purpose of this paper is to highlight some of the key contributions that decent work and ILO activities can make to increasing access to clean water and sanitation, affordable, reliable and sustainable energy use, sustainable consumption and production, sustainable cities and the protection of ecosystems.

## Sustainable economic and social systems and the interaction with the environment

4. The 2030 Agenda provides a conceptual and normative framework to understand how economic development, social justice and environmental sustainability are three interrelated objectives leading to more sustainable and resilient societies.
5. The three aspects of sustainable development are interconnected because human activity affects individuals directly and indirectly through the use and modification of the natural environment. Production and consumption activities depend on the use of natural resources and the services provided by natural ecosystems. The activity of each individual or economic entity has direct and indirect effects on their welfare as well as on the environment. The combination of their production and consumption patterns shape economic and environmental outcomes at local and global level and have profound social and economic repercussions on different groups of people and over time. It affects the capacity of the

<sup>1</sup> [GB.329/HL/1](#).

environment to deliver environmental<sup>2</sup> and ecosystem services<sup>3</sup> both in the present and in the future, affecting other individuals located in other geographic areas as well as future generations.

6. Sustainability in the 2030 Agenda is a forward-looking concept that calls for action based on the present reality as shaped by past actions. It requires the creation of productive capacities to generate income through decent work that enables people to build their economic and human assets and contribute to the eradication of poverty and reduction of inequality.
7. Therefore, the agreed concept of sustainability is a call for social justice within and between national borders and generations. Social justice realized through inclusive and sustainable development can guarantee that human societies are resilient and can generate a lasting and shared improvement in living conditions.

## **Sustainable water, sanitation and energy as preconditions and opportunities for decent work**

### **Water and sanitation**

8. Goal 6 of the SDG calls for ensuring the availability and sustainable management of water and sanitation for all. This includes the targets of achieving universal and equitable access to safe and affordable drinking water, sanitation and hygiene for all (targets 6.1 and 6.2). It requires improving water quality by reducing pollution, reducing untreated waste water and increasing water-use efficiency across all sectors (targets 6.3 and 6.4). Water is a scarce resource and withdrawal of freshwater should be sustainable to avoid water stresses, while water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes, should be restored (target 6.6).
9. Access to safe water and sanitation is a human right. Water is essential to the survival of ecosystems upon which humans depend, and its availability and quality are vital to human production and lives. Water uses range from energy generation to other industrial use, fishing, agribusiness and direct consumption by households. Half of the global workforce, around 1.5 billion people, is employed in eight water- and natural resource-dependent sectors: agriculture, forestry, fisheries, energy, resource-intensive manufacturing, recycling, building and transport.<sup>4</sup> On the one hand, unsustainable production processes affecting the quantity and quality of water resources through overuse and pollution are threats to the jobs

<sup>2</sup> The concept of “environmental services” captures the idea that the natural environment incorporates many uses or benefits that can be termed as services. According to the UN definition, environmental services refer to qualitative functions of natural non-produced assets such as land, water and air (including related ecosystems) and their biota. They include the provision of raw materials and energy used to produce goods and services and the absorption of waste from human activities.

<sup>3</sup> The concept of ecosystem services is related to, but broader than that of environmental services. It includes: (i) provisioning, such as the production of food and water; (ii) regulating, such as the control of climate and disease; (iii) supporting, such as nutrient cycles and crop pollination; and (iv) cultural, such as spiritual and recreational benefits. Millennium Ecosystem Assessment: *Ecosystems and Human Well-Being: Synthesis* (Island Press, Washington DC, 2005).

<sup>4</sup> UNESCO/UN-Water: *The United Nations World Water Development Report 2016: Water and Jobs* (Paris, 2016).

and livelihoods of people and thereby undermine the resilience of societies. On the other hand, effective and sustainable management of water and sanitation can be direct and indirect sources of economic activity and quality jobs.

10. Both lack of access to water and water scarcity are particularly critical in developing countries where climate change exacerbates existing vulnerabilities. It is estimated that a 2-degree increase in the average temperature may lead to up to a 20–50 per cent reduction in agricultural yields in rain-fed agriculture.<sup>5</sup> Improving water management through better water conservation, efficiency in agricultural and industrial uses and water infrastructure are therefore a necessity in a context of sustainable development and adaptation to changing climate conditions.
11. The availability, quality of and access to water and sanitation services are key to the health and empowerment of those who are poorer and most vulnerable. According to a World Health Organization (WHO) estimate, every year 846,000 people die of diarrhoeal diseases and over 340,000 workers die because of inadequate water supply and sanitation.<sup>6</sup> Water stress affects the productivity of workers and undermines their capacity to work. Unsafe water and inadequate sanitation also represent health risks that can impact present and future economic growth, including through the spread of disease and water pollution. Children are particularly vulnerable to having their development compromised.
12. Lack of access to safe water is a daily challenge for millions of people in developing countries. Hours spent collecting water, for example, is a particular burden for girls and women. It is unpaid work, with a social cost in terms of time and human resources that cannot be devoted to more productive work, learning skills or education.
13. Moreover, many agribusiness enterprises are highly affected not only by water scarcity but also by inefficiencies in water regulation policies and practices, including distortive price structures.<sup>7</sup> In fact, in some countries price structures for water and other utilities are based on cross-subsidization schemes that lead to low prices for household consumption and to higher prices for enterprises, which may discourage investment and productivity growth.<sup>8</sup>
14. The ILO actively promotes progress in water and sanitation supply and management through collaboration with other UN entities.<sup>9</sup> It joined UN-Water in 2010 and the Director-General chaired it from 2016 to 2017. With the support of a UN-Water Task Force, the ILO coordinated the campaign for World Toilet Day 2016, with the theme of “Toilets and Jobs”. The ILO launched a self-training handbook on access to water, sanitation and hygiene (WASH) in the workplace, entitled “WASH @Work”, during an event hosted by the United Nations Children’s Fund (UNICEF).

<sup>5</sup> N. Stern: *The Stern Review: The Economics of Climate Change* (London, 2006).

<sup>6</sup> WHO: *Preventing disease through healthy environments: A global assessment of the burden of disease from environmental risks* (Geneva, 2016).

<sup>7</sup> World Bank: *Enabling the Business of Agriculture* (Washington DC, 2017).

<sup>8</sup> UN DESA: *Providing Water to the Urban Poor in Developing Countries: the Role of tariffs and Subsidies*. Sustainable Development Innovation Brief, Issue 4 (New York, 2007).

<sup>9</sup> Partnership for Action on Green Economy (PAGE): (Global – multi-country BFA106, BRA109, CHN253, GHA103, PER152, SEN103, ZAF101), Mexico (MEX102 – resource efficiency, Tunisia (TUN103 – value chain, green enterprises), Zambia (ZMB133 – housing construction).

15. The ILO also led the World Water Day campaign for 2016, which included the UN-Water *World Water Development Report 2016: Water and Jobs*, which bridged SDGs 6 and 8. Additional evidence on the water-job nexus will be provided in the UN-Water SDG 6 Synthesis Report to be launched in the HLPF, with ILO research funded by UN-Water. Links between Goals 6 and 8 manifest in multiple ways, from access to WASH in the workplace (guaranteed by ten ILO Conventions and 18 codes of practice) to the recognition of water fetching (mostly by women and children) as work.<sup>10</sup>
16. The International Decade for Action, “Water for Sustainable Development 2018-2028” will be an opportunity to highlight the importance of social dialogue in water resources management, as the participation of water operators, water workers and other stakeholders, such as indigenous communities and women can be an instrument to prevent potential conflict on water resources and enhance the coordination and effectiveness of the delivery of water and sanitation services.
17. Managing the scarcity of water fairly and efficiently among competing interests requires dialogue among concerned populations, industries sectors, and among countries as appropriate. In many instances, water resources must be shared across geographic regions and political boundaries, requiring governance that overcomes this territorial dimension. The 2030 Agenda calls for implementing an integrated water resources management including through transboundary cooperation, expanding international-cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, as well as supporting and strengthening the participation of local communities in improving water and sanitation management (targets 6.5, 6.a and 6.b).
18. One way the ILO contributes to better governance and management of water and other resources at the local level while creating job opportunities is through its community contracting approach to the employment-intensive investment programme. The approach can be effective in supporting indigenous and scattered rural communities in gaining access to basic services and, by involving their leaders, helping them build a partnership with public (national or local) authorities for the management, provision and maintenance of basic services. The ILO has developed guidelines for community contracting for public entities and community leaders on how to direct the process of participation and on the options available for building public–private partnerships between the government and communities.

## Energy

19. Goal 7 of the SDGs calls for ensuring access to affordable, reliable, sustainable and modern energy for all. Access to affordable energy has been the driver of industrialization and modern economic growth. However, it is well known that reliance on fossil fuels has been a principal source of greenhouse gas emissions and of other pollutants, with significant costs in the form of human-induced climate change and environmental degradation, which will increasingly damage economies and people’s well-being. A shift to sustainable energy use requires concentrating investments in research, infrastructure and skills in an environmentally safe, lower emission and renewable energy.<sup>11</sup>

<sup>10</sup> 19th International Conference of Labour Statisticians (ICLS): [Resolution concerning statistics of work, employment and labour underutilization](#), 2013.

<sup>11</sup> Among ILO interventions, PAGE: (Global – multi-country BFA106, BRA109, CHN253, GHA103, PER152, SEN103, ZAF101), Bangladesh (Skills 21 project), Tunisia (TUN103 – value chain, green enterprises) and Zambia (ZMB133 – housing construction).

20. At present, 1.3 billion people lack access to electricity and more than 2.5 billion to clean-cooking energy. As with access to clean water, the burden is often heavier on women due to their disproportionate share of the responsibility for household chores. In addition, poor households spend a much higher proportion of their incomes on energy and energy-related goods such as food. As the demand for such basic necessities is inelastic, price changes have large income effects and reduce their capacity to satisfy other needs.
21. Lack of affordable and reliable energy is one of the most critical challenges that businesses face in developing countries. Energy constitutes a pillar of the enabling environment for sustainable enterprises, which is a regulatory framework required for enterprises to be sustainable and contribute to the transformation towards resilient societies.<sup>12</sup>
22. Improving access to clean energy requires skilled workers and productive enterprises to install, distribute, maintain and operate sustainable energy systems. In 2016, the renewable energy sector employed 9.8 million people globally, showing a 1.1 per cent increase over 2015. China, Brazil, Germany, India, Japan and the United States accounted for most of the renewable energy jobs. Asia accounts for the largest share – 62 per cent – of the global workforce.
23. Employment in the coal industry is decreasing, due to a reduction in coal-fired power plants and improved mining technologies. China, for instance, produces nearly half of the world's coal, but excess supply and a slowdown in the economy have led the Government to plan the closing of 5,600 mines. This may lead to the loss of 1.3 million coal-mining jobs, or 20 per cent of the total workforce in the Chinese coal sector. In India, employment at Coal India, the world's largest coal producer, has fallen by 36 per cent, from 511,000 workers in 2002–03 to 326,000 in 2015–16.<sup>13</sup>
24. A study in the United States in 2014 considered the economy-wide effects of reducing emissions by 40 per cent by 2030, by investing US\$200 billion per year for a mix of clean energy and improvement in energy efficiency. This would result in a net gain of about 4 million jobs and a reduction in the unemployment rate by a 1.5 percentage, taking into consideration the loss of 1.5 million jobs in fossil- and energy-intensive sectors.<sup>14</sup>
25. In many countries, energy policies are not sufficiently coordinated with skills and industrial development policies. Countries face gaps in the infrastructure required to build and transfer new energy across their distribution networks. However, the lack of technical skills and human capacity also represent a severe constraint in many countries to achieving greater energy access, efficiency and sustainability.
26. ILO programmes in Bangladesh, Brazil and Zambia showed that combining skills' development with enterprise promotion can help achieve both the objectives of energy access and the creation of new and more productive jobs. Sound technical and vocational training systems are needed to address existing skills shortages.<sup>15</sup> In Bangladesh, for instance, the 2008 national renewable energy policy promotes solar systems to some

<sup>12</sup> ILO: *Work in a challenging climate: The Green Initiative*, Report of the Director-General, Report I, International Labour Conference, 106th Session, Geneva, 2017.

<sup>13</sup> International Renewable Energy Agency (IRENA): *Renewable Energy and Jobs – Annual Review 2017* (Abu Dhabi, 2017).

<sup>14</sup> R. Pollin, H. Garrett-Peltier, J. Heintz, and B. Hendricks: *Green Growth: A U.S. Program for Controlling Climate Change and Expanding Job Opportunities* (PERI working papers, 2014).

<sup>15</sup> ILO: *Skills for green jobs: A global view* (Geneva, 2011).



90 million people – half the population – who lack access to electricity. To satisfy the massive need for qualified technicians, the Government, in partnership with the ILO and Grameen Shakti – the technology and microcredit provider – introduced a technical and vocational training programme and standardized skill acquisition. Today, more than 100,000 quality jobs have been created and more than 2 million systems installed.

## **Sustainable cities for equitable and resilient societies**

### **Urbanization**

- 27.** Cities are by definition densely populated human settlements and therefore have a dominant role in global consumption, production, air pollution, greenhouse gas emissions and waste generation. On the other hand, the concentration of population, productive activities and resource use provide the potential for large economies of scale and efficiency gains that can address several SDGs at the same time. Making cities and human settlements inclusive, safe, resilient and sustainable (Goal 11) is therefore one of the most salient challenges of our times, but also an objective with large economic, social and environmental returns.
- 28.** Unsatisfied basic needs such as access to water and sanitation, affordable and cleaner energy, effective waste management and food security are critical in rural areas where the poor are concentrated in most developing countries. Yet, the lack of access to such basic services also affects cities and is often a characteristic of poverty and inequality in urban areas. It has an effect on the potential of cities as engines of inclusive economic growth and drivers of productive and decent work creation.
- 29.** According to the UN Department of Economic and Social Affairs (UN DESA), over 50 per cent of the global population now lives in urban areas. This trend will continue, reaching 60 per cent of world population in 2030 and 70 per cent by 2050, with 1.5 million people moving into cities every week.<sup>16</sup> The population in rural areas is expected to remain stable, so that all world population growth will be concentrated in urban centres. Internal and international migration will play a fundamental role in the population dynamics of urban centres.
- 30.** High productivity activities and most industrial work and services are concentrated in cities. Urbanization has been historically associated with rising per capita income and an expanding share of industry and services in domestic product and employment. This structural transformation has been supported by increased productivity in agriculture and a rural to urban migration of the workforce. However, in many developing countries the current urbanization pattern is not associated with rising productivity and improved living conditions in rural areas, but rather with persistent poverty in agriculture and increasing urban unemployment and underemployment.<sup>17</sup>
- 31.** The impact of climate change is expected to aggravate rural poverty and further encourage rural–urban migration. The ILO estimates that agriculture provides jobs to 1.3 billion people, almost 40 per cent of global employment, most of them the working poor and many of them

<sup>16</sup> UN DESA: *World Urbanization Prospects: The 2014 Revision* (New York, 2015).

<sup>17</sup> UNCTAD: *The Least Developed Countries Report 2015* (Geneva, 2015).



migrant workers.<sup>18</sup> The United States National Academy of Science estimates that rice yields will be cut by 3.2 per cent, and maize by 7.4 per cent, for each degree of warming.<sup>19</sup> These losses will exacerbate pre-existing vulnerabilities, including unemployment and poverty. Vulnerable populations with limited resources to buffer against loss may move to urban areas in search of decent work opportunities.<sup>20</sup>

32. Rural migrants can also face urban poverty partially due to skills mismatch and inadequate social protection.<sup>21</sup> They are likely to work in sectors that are also among the most exposed to climate variables.<sup>22</sup> Manufacturing and construction, which include many migrant workers, are confronted by heat stress both outdoors and indoors, where climate control may be inadequate.<sup>23</sup>

## Greening of cities and decent work

33. Sustainable cities require investment in low-carbon infrastructure, green construction and building retrofit and refurbishment; these activities can generate new opportunities for job creation. Buildings consume 32 per cent of global energy and are responsible for 19 per cent of total CO<sub>2</sub> emissions.<sup>24</sup>
34. Waste management is a fundamental environmental protection service for human settlements and a source of jobs. Occupational safety and health (OSH) policies should ensure that existing jobs in waste management and recycling are decent, safe and healthy. OSH standards and training must be ensured. For example, of the globally estimated 19–24 million workers in waste management, only around 4 million have formal contracts and benefit from safety regulations. This number is expected to increase significantly with the adoption of the “circular economy system”. In Brazil and Colombia, for instance, waste pickers have been organized in cooperatives and their income and OSH conditions have improved with formalization.
35. Many global companies are adopting “circular production systems”, a less resource-intensive approach to production, moving from “produce-use-discard” to “produce-use-reuse” methods. Circular systems are more service-intensive and can lead to a net job increase, due to the labour-intensive character of services. It is estimated that a circular-

<sup>18</sup> ILO: *Global estimates on migrant workers: Results and methodology – Special focus on domestic workers* (Geneva, 2015). FAO Statistics in 2011, based on a global workforce of 3.3 billion people.

<sup>19</sup> <https://www.scientificamerican.com/article/for-crop-harvests-every-degree-of-warming-counts/>.

<sup>20</sup> ILO: L. Olsen: *The Employment Effects of Climate Change and Climate Change Responses: A Role for International Labour Standards?* (Geneva, 2009).

<sup>21</sup> ILO: *Employment Policies Report – China: Promoting Decent Employment for Rural Migrant Workers* (Bangkok, 2011).

<sup>22</sup> *ibid.*

<sup>23</sup> *ibid.*

<sup>24</sup> Intergovernmental Panel on Climate Change (IPCC): *Climate Change 2014: Synthesis Report* (2015).

economy scenario would result in a 7 per cent increase in Europe's gross domestic product by 2030, as opposed to a "business-as-usual" scenario.<sup>25</sup>

### **The potential of cities as drivers of economic, social and environmentally sustainable development**<sup>26</sup>

36. High-density settlements allow for more efficient public transportation, energy and water distribution and therefore lower ecological impact. Energy, water, waste and transport infrastructures and other fundamental services can be shaped to both serve equally all households, workers and enterprises and have a lower ecological footprint. They can also have a social impact of connecting people from different areas and providing them with equal opportunities for jobs, education and services. These and other policies that limit the spatial segregation of communities and potential discrimination of groups are key factors in the pursuit of social inclusion and mobility.
37. The contribution of decent work to achieving sustainable cities was highlighted in the Habitat III Quito Declaration on the New Urban Agenda.<sup>27</sup> This Agenda recognizes the role of decent work, committing member countries "... to promoting, as appropriate, full and productive employment, decent work for all and livelihood opportunities in cities and human settlements, with special attention to the needs and potential of women, youth, persons with disabilities, indigenous peoples and local communities, refugees, and internally displaced persons and migrants, particularly the poorest and those in vulnerable situations, and to promote non-discriminatory access to legal income-earning opportunities." Cities and human settlements are recognized as economic and social systems where productivity can grow with improving working conditions, "... by providing the labour force with access to income-earning opportunities, knowledge, skills and educational facilities that contribute to an innovative and competitive urban economy".
38. The extensive integration of the Decent Work Agenda principles into the Quito Declaration was the outcome of a process of advocacy and consultation with ILO member State representatives and constituents. The New Urban Agenda represents a consensual framework for combating inappropriate working conditions, improving social protection and respecting labour standards in human settlements, and provides a guiding tool for Decent Work Country Programmes and National Sustainable Development Strategies.

<sup>25</sup> Ellen MacArthur Foundation and McKinsey: *Growth within: A circular economy vision for a competitive Europe* (2015).

<sup>26</sup> PAGE: (Global – multi-country BFA106, BRA109, CHN253, GHA103, PER152, SEN103, ZAF101), Egypt (EGY106 – waste management, youth employment), Zambia (ZMB133 – housing construction).

<sup>27</sup> Resolution [A/RES/71/256](#), adopted by the UN General Assembly on 23 December 2016, on the New Urban Agenda.

## Sustainable consumption and production and preservation of terrestrial ecosystems

### Sustainable production and consumption <sup>28</sup>

39. Societies are resilient when increasingly more productive and decent jobs are available and can be created in the future in a context of inclusive and environmentally sustainable economic growth. Production and consumption may become unsustainable because of their effects on the environment such as with the depletion of natural resources or the reduction in the capacity of ecosystems to deliver their services needed for human life and production.
40. The unsustainability of production and consumption patterns may not be evident, or accounted for, because the consequences of environmental degradation and unsustainable natural resource use typically affect other households and producers, including those of future generations. When the social and environmental costs are acknowledged and factored in by policy action, the incentive of cost reduction becomes a great driver for the adoption of more resource-efficient and cleaner modes of production and consumption. More resource-efficient production generates room for productivity increases that can have positive effects on value added and therefore on workers' remuneration.
41. Unsustainable production consumption patterns are, for example, the source of change in climate, land use, altered cycle of water, carbon and nitrogen, the overuse of water supplies and other excessive exploitation of resources such as overfishing and overharvesting. These environmental consequences affect billions of households and workers, reducing agricultural yields, biodiversity and ecosystems that support human production and jobs. In particular, human-induced climate change is considered as the source of the intensification of "hydrometeorological" disasters such as high-intensity storms, hurricanes and floods, as well as droughts, leading to the increase of the likelihood of forest fires as well as famines and food insecurity and the spread of diseases. <sup>29</sup>
42. Much of the effort to enhance energy, material and resource efficiency has focused on technical solutions such as the development and application of new technologies, while workplace practices, labour relations and social dialogue have not always been integrated as a necessary component of national development policies to enhance sustainable production. Without the involvement of workers and enterprises, many goals and targets will prove difficult to achieve merely through regulation or economic instruments such as taxes on resource use.
43. Among the lessons learned from programmes, such as SCORE and PAGE in several countries, and SIMAPRO in Mexico, there is the evidence that workplace practices and social dialogue at enterprise and industry levels (involving workers and management) are valuable means of building consensus and support for targets that individual enterprises and entire industrial sectors can achieve.

<sup>28</sup> PAGE: Mexico (MEX102 – resource efficiency), Pakistan (PAK176 – enabling policies for sustainable enterprises, resource efficiency in leather industry), the Philippines (PHL104 – greening enterprises, sustainable transition in mining); SCORE: (Global – multi-country); PAGE: (Global – multi-country BFA106, BRA109, CHN253, GHA103, PER152, SEN103, ZAF101); UN Coordination Group on the 10-Year Framework of Programmes on Sustainable Consumption and Production; "Sustainable Procurement: social, economic and environment considerations in public procurement" (training course scheduled for April 2018 – ITC - Turin).

<sup>29</sup> J. Sachs: *The Age of Sustainable Development* (Columbia University Press, 2015).

44. Particular attention to small and micro-enterprises is needed, as such enterprises face greater challenges to enhance resource and energy efficiency. Small and medium-sized enterprises (SMEs) may not only lack technical capacity but also access to the resources and information that could make technical capacity possible. Training for enterprises and the workforce can play an important role in supporting a transformation towards more efficient modes of production.
45. Policies geared towards changes in consumption patterns such as the removal of energy subsidies can have negative impacts on low-income households. Evidence from several countries suggests that pricing and fiscal reforms have a greater chance of success when combined with social programmes such as cash transfers and other compensation schemes.<sup>30</sup>
46. The HLPF can provide guidance on holistic approaches to sustainable consumption and production going beyond technical solutions. Social programmes need to complement economic, fiscal and pricing reforms, where necessary, and the role of actors in the world of work should be taken into account, including by favouring labour relations and social dialogue at the enterprise, industry and sector levels.

## Ecosystem protection

47. Goal 15 of the SDGs calls for efforts to “Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss”.<sup>31</sup>
48. Biodiversity is the variability of life within a species and the diversity of species. The interaction of species affects the different ecological systems and their productivity. The change in biodiversity and environmental systems affect human production that directly and indirectly benefits from them. Modification of ecosystems may result in the spreading of diseases and invasive species that alter the self-regulatory capacity of the environment, affecting the health of soils, harvests, the availability and productivity of fisheries, and ultimately damaging production, jobs and incomes.
49. Loss of world biodiversity and ecosystem degradation are threats to the human living environment, health, economic activity and jobs and has significant distributional impacts affecting different groups of producers and workers, creating problems linked to the geographical and intergenerational distribution of economic production gains. Some groups of workers and micro, small and medium-sized enterprises (MSMEs) are more vulnerable to the immediate consequences of the disruption of ecosystems, while all human activities are potentially affected in the longer run.
50. Poverty may also induce households and small producers into environmentally unsustainable practices and heavy dependence on the exploitation of natural resources for income generation, jobs and livelihoods. Therefore, protecting and restoring ecosystems need to go hand in hand with the promotion of alternative sources of jobs, income and livelihoods.
51. Indigenous peoples account for 5 per cent of the global population (370 million), but rely on ecosystems that cover 22 per cent of the world’s land mass and can safeguard 80 per cent of

<sup>30</sup> Lessons from fuel subsidy reforms in Egypt, Indonesia and many other countries.

<sup>31</sup> ILO support for “Working For” programmes in South Africa; National Rural Employment Guarantee Act (NREGA) Programmes in India; ILO disaster response programmes in Haiti, the Pacific Islands and the Philippines; PAGE: the Philippines (PHL104 – greening enterprises, sustainable transition in mining).

the planet's biodiversity. Studies from Brazil show that indigenous people-managed forests have a 27 times lower deforestation rate than state- or private-managed forests. The “*Bolsa Floresta*”, which directly targets forest communities, is considered a successful “Payment for ecosystem service” approach.<sup>32</sup>

52. Many current programmes do not include a holistic approach to halt biodiversity loss and resource degradation, fully taking into account employment and social dimensions. A key policy lesson learned is that policies to control, limit or prevent the use of resources have often succeeded when combined with effective social protection schemes such as compensation mechanisms, cash transfers and programmes offering alternative means of livelihoods (see, for example, the programmes *Bolsa Verde* in Brazil, NREGA in India, and “Working For” in South Africa).
53. The HLPF could provide guidance by making the necessary political and policy links between the goals of protection and sustainable use of biodiversity and natural resources on the one hand, and goals related to social protection, job creation, labour mobility and migration (including the process of the Global Compact for Migration and Global Compact on Refugees) on the other, taking account of the fact that access to resources and the related conflicts have a bearing on movements of people within and among countries.

## **Inclusive and environmentally sustainable growth through dialogue and policy action**

54. Decent work creation, poverty eradication, reduction in inequalities and environmental preservation are the major challenges of our times. Many of the objectives have been considered as incompatible: economic growth has often been seen as a priority over equitable access to decent work opportunities and environmental preservation. Scientific evidence and an increasing body of research crossing several disciplines points at the complementarities between the environmental sphere, equitable access to resources and economic outcomes.<sup>33</sup>
55. The 2030 Agenda concept of sustainability implies that economic, social and physical environmental dimensions of development are not conflicting but mutually reinforcing and make societies resilient. Sustainable and inclusive growth with decent work is key to resilience from economic and environmental shocks, as it creates the social cohesion, availability of resources and shared welfare that supports economic, social and environmental systems.
56. The work of the ILO on the overlapping areas of environmental sustainability, decent work and economic development shows some gaps and emerging issues that require attention. In certain instances, approaches to promote environmental sustainability have focused narrowly on technical and technological solutions and interventions, overlooking their social implications and the role of social actors.
57. There is now a clear understanding that the deep structural transformation, necessary for the transition to more environmentally and economically sustainable and inclusive growth,

<sup>32</sup> ILO: *Indigenous peoples and climate change – From victims to change agents through decent work* (Geneva, 2017); and ILO: *Protecting people and the environment: Lessons learnt from Brazil's Bolsa Verde, China, Costa Rica, Ecuador, Mexico, South Africa and 56 other experiences*, ESS – Working Paper No. 54 (Geneva, 2016).

<sup>33</sup> ILO: *World Employment and Social Outlook: Trends 2018 – Greening with jobs* (Geneva, forthcoming).

implies profound social changes and job transformation. This reaffirms the relevance of the ILO's mandate to advance social justice as a central pillar in the transition towards more sustainable economies and societies for all, leaving no one behind.

58. Lessons learned from the ILO experience confirm that the Decent Work Agenda and its four pillars are indispensable building blocks of sustainable development and must be at the centre of policies for strong, sustainable and inclusive growth and development. Any implementation strategy of the 2030 Agenda needs to be based on workers' and employers' participation in their capacities and not merely as users, as they will be the people on which the resilience of society relies. In that regard, the Office should provide support to workers' and employers' organizations to enhance their capacities to engage in the HLPF reporting process.
59. In many instances, governments, enterprises, workers and communities need to be provided with some guidance on managing the transition in a just and efficient way. That is the reason why the ILO constituents formulated the *Guidelines for a just transition towards environmentally sustainable economies and societies for all* in 2015. The Guidelines agreed upon by a tripartite group of experts "... are meant to provide non-binding practical orientation to Governments and social partners with some specific options on how to formulate, implement and monitor the policy framework, in accordance with national circumstances and priorities".<sup>34</sup>
60. Through the Green Initiative towards the ILO centenary, the Office is working to scale up the ILO's knowledge and policy-response capacity to integrate a decent work dimension in the transition to a low-carbon, sustainable future.<sup>35</sup> The HLPF could build on such a framework and promote it as a valuable guiding framework for member countries.

## Draft decision

61. ***The Governing Body requests the Director-General to take account of its guidance in further developing the ILO contribution to the 2018 High-Level Political Forum (HLPF).***

<sup>34</sup> ILO: *Guidelines for a just transition towards environmentally sustainable economies and societies for all* (2015). ILO: *Portfolio of policy guidance notes on the promotion of decent work in the rural economy* (2015).

<sup>35</sup> ILO: [The Green Initiative](#) portal.