



## Submission by the International Trade Union Confederation

### Subject: Ad-Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA)

Item 3 (a–e) of the provisional agenda

Enabling the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, by addressing, inter alia:

A shared vision for long-term cooperative action

Enhanced national/international action on mitigation of climate change

Enhanced action on adaptation

Enhanced action on technology development and transfer to support action on mitigation and adaptation

Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation

## Introduction

Decision 1/CP.13 invited Parties to provide their views regarding the work programme of the Ad-Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA). In AWG-LCA2, the Chair invited parties and observers to submit concrete proposals on each of the elements of the Bali Action Plan.

Trade unions provide in this submission some initial thoughts on what should be considered as key parts of the long-term cooperative action.

## Ideas and proposals from the International Trade Union Confederation (ITUC)

### A shared vision for long-term cooperative action

The global trade union movement will support and share a vision where a long term process establishes:

#### A. Scope, nature and elements of a shared vision for long-term cooperative action

- On principles for the shared vision, trade unions propose that a shared vision should be based on equity, which should apply not only between, but also within countries;
- On the scope for shared vision, observer organizations proposed that a shared vision should include a “just transition framework” and integrate a “social driver” in the process leading to a low-carbon economy;

#### B. A long-term global goal for emission reductions

- On the context of a long-term global goal, trade unions note that social and economic conditions (including local capacities, employment, poverty reduction and development) will be relevant to consideration of a long-term goal;
- On a long-term global goal, the trade unions support an agreement where:
  - Global temperature rise should be limited to 2 °C;
  - Emission cuts of 85 per cent from 1990 levels are required by 2050;
  - Developed countries should reduce their emissions by at least 25–40 per cent from 1990 levels by 2020;

## **Enhanced action on mitigation of climate change**

**A. Measurable, reportable and verifiable nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives, by all developed country Parties, while ensuring the comparability of efforts among them, taking into account differences in their national circumstances.**

- Trade unions consider the EU's commitment of a 30 per cent cut from the 1990 levels by 2020 as a benchmark for developed country commitments.
- The IPCC concludes that a reduction by developed countries of at least 25%-40% by 2020 below 1990 levels is necessary in order to attain the global 85% reduction by 2050. The ITUC recognises the urgency of taking action and supports these 2050 and 2020 targets. It also recognises that specific circumstances in developed countries may dictate targets that are more or less ambitious, provided that the net emission reduction of Annex I countries is within the targets advocated by the IPCC.

**B. Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner**

Trade unions consider that what needs to be measured, reported and verified in relations to actions should include:

- An inclusive agreement consistent with the principle of “common but differentiated responsibilities”;
- resource and technology mobilization to enable developing countries, in particular major emitters, to achieve GHG emission reduction, stabilisation or agreed and controlled increases through a range of policies including targets on renewable energy, energy efficiency, clean coal technology and avoided deforestation, among others, while providing access to decent livelihoods for their citizens
- The sustainable development benefits and climate co-benefits of the mitigation actions, as well as costs of actions to be supported for pledged voluntary actions

**C. Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries**

On the **context and objectives of policy approaches and positive incentives**, trade unions consider this should :

- ensure co-benefits in respect to poverty alleviation, decent job creation and rural development needs;
- Address social implications and recognize and respect the rights and the roles of workers, rural communities and native and indigenous peoples, and ensuring full and effective participation by these peoples and communities in all stages of decision-making;
- Promote sustainable forest management and be consistent with long-term sustainable land management;

On positive incentives, trade unions consider important

- establishing minimum standards for benefit sharing, developed with full and effective participation of indigenous peoples, workers' organisations and local communities;

**D. Cooperative sectoral approaches and sector-specific actions to enhance implementation of Article 4, paragraph 1 (c), of the Convention**

- On the objective of sectoral approaches and sector-specific actions, trade unions propose that such approaches and actions should:
- Be consistent with the principle of common but differentiated responsibilities and respective capabilities;
- Prevent carbon leakage and address competitiveness concerns;
- Ensure governance and decisions on emission reduction targets to be made by governmental authorities, with transparency in decisions regarding the best available technologies as well as the sectoral distribution of reduction efforts.

On the nature of cooperative sectoral approaches and sector-specific actions, trade unions propose:

- Focusing on enhancing the implementation of Article 4, paragraph 1 (c), of the Convention and promote the development, deployment, diffusion and transfer of technology and enhancing sectoral cooperative actions;
- Being cautious about the risks of privatising climate change regulation, and diluting national commitments in unregulated compromises by enterprises.

On specific cooperative sectoral approaches and sector-specific actions, trade unions support:

- Catalysing and encouraging sectoral cooperation and providing a means of recognizing the benefits of sector-specific actions;
- Setting clear guidelines for intra-sectoral transfer, and to avoid its use as framework for reducing companies's costs for a transferring machinery with no additionality.

**E. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries**

On factors to be taken into account in the design of market-based mechanisms trade unions consider that:

- CDM has a key strategic role to play in eradicating poverty, and promoting genuinely sustainable development.
- The inclusion of social criteria and "broad societal values and norms" in the assessment and approval of CDM projects in developing countries is key.
- Co-benefits should include positive social outcomes such as amount of new jobs created, contribution to alleviating unemployment, and the number of people acquiring new skills. A further co-benefit should be the creation and improvement of consultation mechanisms in CDM host countries.

Trade unions propose that new approaches should enable:

- The assessment of labour market impacts and adopting transition measures; promoting labour-management initiatives for "greener" workplaces; and using labour policies to identify opportunities for green jobs, greening existing jobs, and phasing out unsustainable jobs;
- The analysis of consequences for the enterprises (including SMEs) from the sectors involved, including employment and competitiveness, as well as the establishment of sectoral dialogue mechanisms with the relevant social partners and identification of

protective measures.

#### **F. Economic and social consequences of response measures**

Trade unions consider that the Convention can play a role in facilitating analysis and gathering further information on the impacts of response measures and on successful approaches to economic diversification, and call for:

- a better analysis of the social and economic effects of mitigation measures. This would lead to an international methodology that will enable Parties and stakeholders to measure and analyse impacts of mitigation policies in jobs, income, competitiveness and poverty, as well as in other social, environmental and economic matters (ITUC);
- The identification of measures that can serve both GHG emission reduction efforts and priorities of developing countries, including development, employment creation or poverty eradication. The co-benefit approach aims at implementing such measures and thus should constitute an important pillar of development strategies in developing countries;
- A World Climate Change Fund (Green Fund) that would support efforts to adapt to the adverse effects of climate change and the impacts of response measures, in addition to other needs, should be established;

#### **G. Ways to strengthen the catalytic role of the Convention in encouraging multilateral bodies, the public and private sectors and civil society, building on synergies among activities and processes, as a means to support mitigation in a coherent and integrated manner**

- Trade unions consider that for the cost and negative impacts to be minimized, and for the benefits to materialize, environmental, economic and social policies and programmes need to be well informed, coherent, broadly supported and able to engage stakeholders. Dialogue will be essential also for dealing with the downside of reducing emissions of GHGs. Workers and employers should be assured that a green environment for society does not mean unemployment for them.

## **Enhanced action on adaptation**

#### **A. Adaptation planning and implementation**

- Trade unions consider that social dialogue is important in the planning of adaptation strategies and as part of national and local delivery mechanisms.
- Synergies between decent work creation and adaptation policies must be explored, since the provision of a sustainable income reduces vulnerability.

On streamlining and scaling up financial support and technological support, trade unions consider that:

- Financial support should be directed at meeting the costs of adaptation, minimizing the adverse effects of climate change, R&D of new clean and renewable energy technologies for adaptation, climate science research, disaster response
- With regard to technological support, public–public partnerships for technology transfer in the utilities sector should be encouraged and financially supported. Public procurement contracts should include specifications for labour and environmental sustainability standards.

On knowledge sharing, trade unions note that:

- Methodologies for translating climate information into social and economic benefits

need to be improved

- Workers' organisations, as well as other community-based organisations have a role to play in spreading information about adaptation strategies in communities.

#### **B. Risk management and risk reduction strategies**

Trade unions consider there is a need to promote a preventive approach to climate change in workplaces. Climate change and vulnerability to extreme weather events must be considered in all sectors and a pro-active adaptation strategy undertaken.

#### **D. Economic diversification to build resilience**

Trade unions propose that:

- Economic diversification policies should be organized within sectors, or new activities be proposed for workers in sectors at risk in other economic sectors
- Social dialogue with all stakeholders at all levels, including the community level needs to be undertaken in an institutionalized manner, in order to enhance the knowledge about communities' needs and views on diversification opportunities

## **Enhanced action on technology development and transfer to support action on mitigation and adaptation**

#### **A. Effective mechanisms and enhanced means for the removal of obstacles to, and provision of financial and other incentives for, scaling up of the development and transfer of technology to developing country Parties in order to promote access to affordable environmentally sound technologies.**

Trade unions consider that in order to scale up the development and transfer of technologies under the Convention, mechanisms should:

- Be comprehensive to address all the stages of the technology development: R&D, demonstration, deployment, diffusion, capacity building and training the workforce.
- Scale up technological and financial resources, including public investment, to a sufficient magnitude. This could be set through a Green New Deal to create clean technologies and decent jobs.
- Creation of an international body to find and finance shared technological solutions.
- Global sectoral agreements for sectors such as transport could stimulate the adoption of best available technologies and their dynamic development.

#### **B. Ways to accelerate deployment, diffusion and transfer of affordable environmentally sound technologies**

**Trade unions call for:**

- Public research need to be strengthened as this is a key component of technology development.
- Education and training policies to secure the human resources needed in recipient countries.
- Development of training programmes for workers and entrepreneurs in recipient countries (developing or in transition) and to avoid a bottleneck effect due to the lack of trained workforce, as is currently happening in Europe in the renewable energy field.

**C. Cooperation on research and development of current, new and innovative technology, including win-win solutions.**

Trade unions consider important to:

- Include funding for domestic research, development and innovation in developing countries, as it is also a means for building local capacities and use local knowledge
- Develop a sustainable mix of energies, which will prioritize highly labour intensive and environmental friendly renewable energies.

**Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation.**

**A. Improved access to, disbursement of, and provision of new and additional resources including positive incentives to developing country Parties and mobilization of public- and private-sector funding and investment**

On **characterizing the provision of new and additional resources**, trade unions propose that these be:

- **Adequate.** Financial flows should be sufficient in order to meet the challenges lying ahead for both mitigation and adaptation. As stated in the Bali Action Plan, financial flows should also be measurable, reportable and verifiable.
- **New and additional.** Future funding mechanisms should be distinct from existing ones. Climate change funding should not be seen as aid but rather as compensation.
- **Predictable.** Binding rules and targets for the financing of climate change should be set. Developed countries should provide **reliable, long term** funding to ensure that the adaptation can be properly integrated into national planning processes.
- **Fair.** Funding should be founded on principles of responsibility and capability. Contributions at **the national level should be based on the same principles of responsibility and capability through a redistributive fiscal system.**
- **Effective.** Mitigation funds should be based on objective criteria in order to ensure maximum emissions reduction and contribution to sustainable development. Adaptation funds must prioritize support for the most vulnerable.
- **Complete.** Funds should be made available to respond to the different aspects of **the transition to ensure it is just, including addressing social needs, and not exclusively environmental policies.**
- **Democratic.** Funds should be managed on the basis of the needs expressed by the recipient countries. **Financial flows need to be transparent and have to integrate civil society participation.** Funding flows, financial mechanisms and operating agencies **should remain under the direction of the United Nations Convention.**
- **Coherent.** Financial flows have to coherently account for a variety of different needs. Coherence is necessary at all levels: national and international responses, financial flows to tackle climate change, global financial flows and trade policies. Funds devoted to adaptation should be coordinated by disaster, development and climate change experts with the participation of civil society and unions.

- **Oriented towards the creation of decent jobs.** Decent jobs form a fundamental part of poverty eradication strategies. Funds should be oriented towards productive investments that create or maintain stable and quality jobs. For instance, the introduction of labor intensive infrastructure programs on adaptation will create wealth and contribute to sustainable development.
- **Guided by knowledge and reliable information.** Research is needed on adaptation and mitigation technologies and financial costs. Public research must be strengthened with regards to transitional technologies.

On **provision of new and additional** resources, trade unions consider that:

- Public funding is critical for mobilizing the necessary resources for mitigation including REDD and adaptation.
- All parties should set a “Green New Deal” to create jobs, for example through alternative energy development and energy saving and conservation.
- Mandatory targets - through taxes and transfers – must be set in such a manner as to ensure the basic impulse for transition.
- Tax-based systems, particularly those such as the Tobin Tax, which can contribute to limit speculative financial movements, can and should be strengthened. But other specific levies could also be contemplated (on air flights, oil, etc.)
- Carbon market revenues could form part of the solution to this problem but it is vital to ensure strong regulation, transparency and government oversight in order to prevent speculation. It should be set up in such a way as to ensure stable and reliable funding for mitigation and adaptation.

**B. Means to incentivize adaptation actions and innovating means to fund developing country Parties for meeting the cost of adaptation, including technical support for capacity building in assessment of adaptation costs.**

Trade unions consider that the new agreement should:

- Prioritize adaptation actions with a multiplying effect. Some adaptation measures are more effective in addressing the adaptation challenge in the long term. Actions that reduce vulnerability and enable societies to adapt in the long term, such as strengthening social protection systems, insurance, health and education systems should be prioritized.

**C. Institutional arrangements for the provision of financial resources and investments**

Trade unions propose that:

- The financial mechanism could be a world climate change fund that encompass funds from different sources and finance adaptation and mitigation actions **and provide the necessary funds for a just transition.**
- The financial mechanism should be **democratic transparent and have to integrate civil society participation.**
- The financial mechanism should remain under the direction of the United Nations Convention and have equitable and balanced participation of parties.