



Trade Union
Advisory Committee
to the OECD
*Commission
syndicale consultative
auprès de l'OCDE*

**Latin America and the Caribbean Ministerial Summit on Environmental Sustainability
Economic Resilience, Green and Just Transition
5 October 2023**

TUAC comments

On 5 October 2023, Costa Rica will host the first OECD Latin America and the Caribbean Ministerial Summit on Environmental Sustainability, Economic Resilience, Green and Just Transition. This meeting intervenes at a time when urgent and bold climate action is needed to preserve our planet. 2023 is on track for being the hottest year ever recorded at the global level. Extreme weather events are multiplying, and environmental degradation is accelerating in all regions of the world, including Latin America and the Caribbean (LAC).

Precipitation patterns in the LAC region are shifting, temperatures are rising, and some areas are experiencing changes in the frequency and severity of weather extremes such as heavy rains and heat waves. The risk of crossing climate tipping points and of cascading effects has never been higher. The impacts range from melting Andean glaciers to devastating floods and droughts. The two great oceans that flank the continent—the Pacific and the Atlantic—are warming and sea levels are rising. As a result, the life and livelihoods of millions of workers and their families are adversely affected.

1. Stepping-up actions

In this context, LAC countries must adapt rapidly. Earlier this year, the Intergovernmental Panel on Climate Change (IPCC) published its latest report, providing a comprehensive assessment and overview of the work carried over the past six years of its mandate. Its policy conclusions have been discussed and endorsed by all State Parties to the UN Framework Convention on Climate Change (UNFCCC) and are indisputable: the world is clearly not on track to meet the objectives of the Paris Agreement. At the current pace of reduction of greenhouse gas emissions and the level of reduction commitment by governments (let alone the actual implementation), it is “*likely that warming will exceed 1.5°C during the 21st century and make it harder to limit warming below 2°C*”.¹

Yet the goal of achieving net-zero GHG emissions by 2050 or earlier has been adopted by only 35% of LAC governments in their Nationally Determined Contributions (NDCs). Only 15% have presented their Long-Term Strategies (LTS), and less than 40% have prepared their National Adaptation Plans (NAPs). **TUAC urges LAC countries to step-up their mitigation and adaptation efforts and believes the Ministerial Summit should contribute to this objective.**

2. Fostering international cooperation

¹ IPCC, March 2023, AR6, Summary for Policymakers [IPCC AR6 SYR SPM.pdf](#)

While the LAC region represents a relatively small share of global greenhouse gas emissions compared to other regions (approximately 8%, a proportion comparable to its population), the region decisively contributes to carbon sequestration through its extensive biodiversity. But the region is also highly vulnerable to climate risks. OECD evidence shows that the LAC region faces a disproportionate exposure to the impact of climate change, especially for its most vulnerable groups.² According to the World Meteorological Organisation (WMO), the Americas concentrate 18% of global extreme weather events associated to climate change, whose economic damages represent 45% of global material losses in the last 50 years.³ **In addition to enhanced domestic efforts in LAC countries, coordinated international action must also be promoted to support efforts in the region. TUAC therefore expects the Ministerial Summit to help gather support to multilateral initiatives promoting solidarity-based responses at the global level⁴, including at the COP, such as the “Loss and damage Fund”, the “Global Shield against Climate Risks” or the “UN Global Accelerator on Jobs and Social Protection for Just Transitions”.**

As noted in the Latin America Economic Outlook 2022, LAC faces the challenge of financing the green transition under a tight fiscal space in a context of persistent social inequality and historic development challenges. While the region has understandably expanded social spending during the Covid-19 pandemic, they also experienced a drop in revenues, resulting in a “strong increase in public debt”. The current tightening of fiscal and monetary policies should not prevent LAC countries from stepping up their adaptation and mitigation policies through a just transition. **In a context of global economic slowdown, TUAC believes the Summit should help build consensus around the need for a more balanced macroeconomic policy mix, as well as on the need to reform activities carried by International Financial Institutions and Multilateral Development Banks in support of climate action.**

TUAC welcomes the objective of this Ministerial Summit to help prioritize actions and to focus not only on the urgent need to step up mitigation and adaptation policies, but also to simultaneously foster economic resilience and social cohesion. **TUAC trusts that the Summit can contribute significantly to the objective of ensuring adequate tracking of relevant economic, social and environmental policies through the OECD International Programme for Action on Climate (IPAC).**

3. Leading on a truly Just Transition through social dialogue

As for previous OECD work⁵, TUAC welcomes the emphasis placed in the Summit’s background documents on the importance of centring well-being in policy making for a just transition. This human-centred approach is critical to create synergies more easily for “triple win” solutions – (1) boosting environmental sustainability at the same time as (2) economic resilience and (3) social cohesion, rather than treating economic, social and environmental policy goals as separate or conflicting.

² OECD (2022), Latin American Economic Outlook: Towards a Green and Just Transition, <https://doi.org/10.1787/3d5554fc-en>

³ [Economic costs of weather-related disasters soars but early warnings save lives | World Meteorological Organization \(wmo.int\)](https://www.wmo.int/en/press-releases/2022/04/economic-costs-of-weather-related-disasters-soars-but-early-warnings-save-lives)

⁴ See for instance: Bourban, Michel. “Promoting Justice in Global Climate Policies” in Laurent, E and Zwickl, K. *Routledge Handbook of the Political Economy of the Environment*, Routledge 2021

⁵ OECD (2021), [The inequalities-environment nexus](https://www.oecd.org/en/publications/2021/04/the-inequalities-environment-nexus), Towards a people-centred green transition; OECD (2019), Accelerating Climate Action: Refocusing Policies through a Well-being Lens.

The objective of achieving a “just transition” is high in the agenda of the LAC countries, both individually and at the regional level. At the Summit of the Americas in 2021, LAC countries adopted the document “*Accelerating the Just Transition to Clean, Sustainable and Renewable Energy*”. According to UNDP, in LAC region, 42% of total NDCs submitted referenced the need for a just transition (the second highest rate in the world, behind Europe).⁶ A significant development occurred through the adoption of Resolution No. 2021/3 on Climate Emergency by the Inter-American Commission on Human Rights (IACHR) and its Special Rapporteur on Economic, Social, Cultural and Environmental Rights (REDESCA).⁷

Building on this dynamic legal and political framework, recent academic literature shows that the number of just transition litigation cases in Latin America is significantly increasing, including but not limited to cases related to the rights of indigenous people and the recognition of their critical contribution to mitigation and adaptation policies.⁸ **TUAC therefore believes that the Ministerial Summit should (1) contribute to streamline the concept of “Just Transition”, (2) encourage LAC countries that have not done so yet to include this objective in their NDCs and (3) consolidate LAC support to the UN Just Transition Work Programme at COP28.**

As noted in a recent paper published by the OECD WISE Centre, while the concept of “just transition” is now widely used and increasingly important in governments, international organizations and companies’ decision-making processes, there is “*still quite a bit of heterogeneity in how countries and companies frame and implement their endeavours*”.⁹ TUAC is of the view that the concept of “just transition” must first and foremost be apprehended as “a just transition of the workforce”, as enshrined in COP 21 Paris Agreement (2015) and as developed under the internationally agreed ILO Tripartite Guidelines for a just transition towards environmentally sustainable economies and societies for all.¹⁰

A truly Just Transition protects the rights and secures the future and livelihoods of workers and their communities during the transition to a low-carbon economy. As noted in the Latin American Outlook 2022, the green transition will likely imply significant reallocation of jobs across sectors and regions, with important distributional impacts. TUAC agrees that “*labour market and social policies play a crucial role both in stimulating the creation of high-quality new jobs and in cushioning the downside consequences of the transition to cleaner economies*”.¹¹ We also welcome the assessment that a just transition “*can be an opportunity to move towards comprehensive and universal social protection systems, which include universal health insurance programmes, thanks to the shift towards formal jobs*”.

⁶ UNDP, How Just Transition Can Help Deliver the Paris Agreement, 2022, 11, [UNDP Just Transition Report 0.pdf](#)

⁷ Inter-American Commission of Human Rights, Resolution 3/2021 Climate Emergency: Scope of Inter-American Human Rights Obligations (Dec. 31, 2021), paras. 11-12, 30, 48-57

⁸ Maria Antonia Tigre et al., Just Transition Litigation in Latin America: An Initial Categorization of Climate Litigation Cases Amid the Energy Transition, Columbia Law School, January 2023. LAC is the region of the world with the highest rate of ratification of ILO Convention 169 on the rights of indigenous people, including by OECD members (Chile, Colombia, Costa Rica and Mexico) as well as Peru, Brazil, thereby providing a common legal framework to coordinate efforts.

⁹ OECD, Center on Well-being, Inclusion, <Sustainability and Equal Opportunity (WISE), Policy Insights, [Unpacking public and private efforts on just transition](#), May 2023

¹⁰ ILO, 2015, Tripartite Guidelines for a just transition towards environmentally sustainable economies and societies for all. The relevance of the Guidelines was recently reaffirmed by the tripartite constituents of the ILO, on June 2023, through the adoption of a [Resolution concerning a just transition towards environmentally sustainable economies and societies for all](#)

¹¹ Latin American Economic Outlook, 2022, p. 143.

The report rightly underlines that key criteria determining job quality “include wages, medical insurance, retirement and other benefits, job security, terms of employment, occupational safety standards, union membership, and overall scope of labour rights”. A labour right approach is a crucial component of all policies that are branded “just transition”. Without social dialogue and respect for the ILO’s fundamental labour rights, no policy deserves the label “just transition”. This requires, inter alia, to ensure the right of every worker to a safe and healthy working environment, including in times of climate disruptions, but also the right to non-discrimination, including those based on origins or gender¹², as well as the fundamental rights to freedom of association and collective bargaining.

Building on the findings of the 2018 OECD Jobs Strategy¹³, TUAC would like to emphasize the particular importance that collective bargaining and social dialogue play in ensuring a just transition as well as the creation of green and decent jobs. This was also acknowledged at the last COP28 in 2022 (Sharm El Sheik), where member states “affirmed that sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue”.¹⁴

The LAC region offers relevant examples of initiative involving social partners, including in Colombia, Mexico, Dominican Republic or Antigua and Barbuda.¹⁵ Building on examples in other OECD countries could also help create synergies and identify best practices on how social dialogue can be used to design effective policies, for instance in the area of re-skilling and up-skilling.¹⁶ TUAC believes the Ministerial Summit should contribute to build a platform where countries can share knowledge and experience in this area.

Against this background, TUAC holds the view that the Action Plan submitted to the Ministerial Summit should include a recognition of the role of social dialogue in advancing a just transition (for instance under item 1. Climate Governance or 3. Net-Zero Emissions of the ten cross-cutting policy recommendation). This could be framed as follows:

“Foster a just transition gathering wide public support by prioritizing the reduction of economic, social and environmental inequalities as well as the creation of green and decent jobs for all workers, in particular by promoting collective bargaining and social dialogue”.

¹² We welcome the emphasis placed on the interlinkages between climate and gender justice and trust the Summit will support the implementation of the UNFCCC Gender Action Plans and the UN Convention on Biological Diversity, noting that more needs to be done to support countries in systemically integrating gender analysis into data collection efforts, as well as climate change, budget and development cooperation policies.

¹³ OECD (2018), Good Jobs for All in a Changing World of Work: The OECD Jobs Strategy.

¹⁴ Sharm El Sheik Implementation Plan, IFCCC, 2022, para 50.

¹⁵ See ILO, 2023, International Labour Conference, Achieving a just transition towards environmentally sustainable economies and societies for all pp. 140ss; See also UNDP, How Just Transition Can Help Deliver the Paris Agreement, 2022, 11, p. 50ss; Antigua and Barbuda is planning to conduct a series of social dialogues with trade unions, employers’ associations, and sector representatives on the transition to a climate-resilient and low-carbon economy. Some key areas the Working Group include: a Green Jobs Model Assessment for the energy and transport sectors; a capacity gap analysis for key sectors other than energy and transport; an assessment of the labour impact of the NDC in all sectors; and the potential re design of curricula for technical education and vocational training institutes.

¹⁶ Sweden offers a recent example of ground-breaking tripartite agreements on training support to enable a Just Transition in OECD countries, see <https://news.industriall-europe.eu/Article/766>