

TUAC trade union advisory committee to the
OECD organisation for economic cooperation and development
■ CSC commission syndicale consultative auprès de
OCDE l'organisation de coopération et de développement économiques

Submission to:

Development-Environment Ministerial Meeting

From

Trade Union Advisory Committee to the OECD (TUAC)

A. Introduction

A sustainable development pathway for environment and development must pave the way for economic growth, which is beneficial to the poor¹, the environment and promotes 'Decent Employment' strategies.

In January, 2006 the first world Trade Union Assembly on Labour and the Environment took place in Kenya with the ILO, UNEP and WHO and was attended by 168 delegates from all parts of the world².

The Assembly provided the basis for a new and broader platform for action by the global trade union movement on the environment and sustainable development. It agreed to:

“To strengthen the link between poverty reduction, environmental protection and decent work. Decent and secure jobs are essential for people to have a sustainable livelihood. Creating decent and secure jobs is only possible, however, if environmental sustainability is attained: hence the need to embrace the poverty reduction and sustainable development goals contained in the Millennium Declaration and Johannesburg Plan of Implementation through the promotion of decent employment and environmental responsibility. This must also include the mainstreaming of gender issues,” (see box ‘UNEP and Trade Unions Develop Common Programme).

¹ Economic growth, on its own, does not automatically lead to poverty reduction. To do so it must be made to explicitly target poverty, ensuring that the direct benefits from growth are directed toward specific targets and objectives.

² The Resolution of the Trade Union Assembly is available at:
English: http://www.global-unions.org/pdf/ohsewpO_6d.EN.pdf
Français: http://www.global-unions.org/pdf/ohsewpO_6d.FR.pdf
Español: http://www.global-unions.org/pdf/ohsewpO_6d.SP.pdf

B. TUAC responses for the OECD Issues Paper

Session 1: Poverty Reduction, Environment, and the Millennium Development Goals

We agree that environmental resources are an important source of wealth for developing countries and that these should be a priority of public policy for the OECD and member States. This is especially so with respect to activities that involve agriculture, fisheries, forestry, transportation and selected industries such as manufacturing and processing, as well as public services related to water management and other environmental resources.

These same sectors also provide the employment livelihood for a large proportion of the populations in developing countries, compared to those of industrialised nations. Since unaffordable prices of energy and other resources also relate to disposable incomes, employment policy and job creation must be part of any scenario for change. We therefore, support the promotion of a ‘Decent Employment’ agenda as a cornerstone of environmental-development policies.³

As the OECD issues paper notes, it may also be true that that many environmental resources are deteriorating in developing countries because they are used or exploited in an unsustainable manner. However, the responsibility for the outcomes rests not only with developing countries themselves but with global economic forces also.

Role For Workers & Workplace Actions: The discussion document’s general reference to ‘the poor’ as the sector most affected by environmental degradation tends to mask a more complex reality in many communities of developing countries, where environmental impacts at the places of work (including for informal work) are felt in tandem with those in domestic environments, which often co-exist in close proximity.

Population sectors that are most affected by environment degradation may indeed be women and children but also the working poor, especially those working in unhealthy and unsustainable workplaces, which also tend to seriously pollute and contribute to the environmental degradation. Workers must become involved in change and the role of the workplaces must be recognized as a place of action for addressing environment problems.

We also agree for the need to better integrate ‘environment-development’ analysis, objectives and programmes within the MDG, especially through factors that relate to education, health, capacity building and sustainability. However, synergies with the ‘Social and Environmental Interface’ of the OECD *Environment Strategy For The First Decade of the 21st Century*, must be identified and translated in to concrete action proposals.

Role of Government: The issue of improving access to affordable energy and environment must be understood in its complexity, as related to effective government control of energy resources or their management oversight.

Environmental management must be a priority for governments as regulators of the environment and as providers of essential services. These responsibilities must link to their taxation and fiscal policies as a means of addressing distributional effects and access issues.

³ ILO Information folder on Decent Work and the Millennium Development Goals (MDG 7)
<http://www.ilo.org/public/english/bureau/exrel/mdg/briefs/mdg7.pdf>

Availability of and access to energy must be understood in connection to the availability and access to other essential resources, such as water & sanitation, food, energy, shelter, health & welfare, social security, education and transport.

Public utilities should be integrated into the life of communities, with key players involved in decision making, including their employees and trade unions. Public municipal authorities should be supported as key partners of Agenda 21 and called upon to play a role in multistakeholder decision-making processes, at the local level.

The OECD suggests a need for more awareness raising by environmental agents of the known payoffs of environment-development integration. It also suggests that development agents might reduce transaction costs by building on synergies with existing domestic priorities, especially where policy dialogue is made possible. These are good suggestions.

An improved interface between the environment ministries and agencies of the host and recipient countries is highly encouraged. However, an inter-ministerial process must involve the whole of government where poverty, the environment and the objectives of the OECD are addressed from a sustainable development point of view. In addition there is a role for government in developing mechanisms for social dialogue and action among employer and trade union organisations. The example from Spain that is cited in Annex 1. is a good illustration.

TUAC Proposals:

1. Adopt a broader sustainable development framework. A stronger case for the environment-development agenda can be made by placing it within a framework which integrates social and environment issues with economic planning.

2. Promote ‘Decent Work,’ as a means of fostering the full participation of workers to protect the environment and promote sustainable development. Research that helps understand and address the employment impacts of change, through economic development that improves living standards should be promoted. Adopt a ‘Decent Employment’ agenda, along with national employment plans, commensurate with the ILO Global Employment Agenda (GEA).

3. Recognize workplace issues as entry points for future cooperation, within the context the MDG. The linkages between public and occupational health could strengthen outcomes. See Annex 2.

4. Enhance existing policy instruments to serve national or local level action:

- *Strengthen the role of government authority* in regulation and oversight, as well as provider of public services and promoter of public participation and awareness raising. Engage local authorities and the development of local action plans that connect community and workplaces activities and also promote the use of multistakeholder dialogue decision-making processes. Set up tripartite frameworks (based on the Spanish model to plan and monitor progress).

- *Encourage government linkage to the UN CSD “National Sustainable Development Strategy (NSDS)”*, both as means of implementing an environment-development agenda and promoting the participation of the Major Groups of Agenda 21, including trade unions. Government action should be placed within a framework for addressing ‘*sustainable production and consumption patterns*’, as understood by the 2002 World Summit on Sustainable Development (WSSD). Use the Poverty Reduction Strategy Plans (PRSP’s) designed by Developing countries as entry points for OECD action.

- *Integrate trade and investment policy* of donor countries with OECD environment-development objectives, i.e. through Official Development Assistance (ODA) or through policies influencing Foreign Direct Investment (FDI) and other financial flows. The activities of export credit agencies should be brought in line with poverty and environmental objectives as should those of IFI's. The OECD draft policy framework for investment (PFI) should embrace sustainable development principles.

Session 2: International Governance For Development and Environment

The OECD appropriately begins this discussion by referencing the 2002 UN World Summit on Sustainable Development (WSSD). Placing the objectives of this Ministerial meeting within a sustainable development framework is important for capturing vital synergies, avoiding conflict and enhancing mutually enforcing activities of government and other actors.

Strategies for sustainable development prepared by individual developing countries can be greatly compromised by the actions of the OECD governments or external policies and institutions (e.g. those concerning trade and investment) over which developing countries often have little direct control. In addition there is a need to establish some coherence in funded projects. Donor support in one country should not conflict with the environment or development needs of another country or with global objectives of international institutions.

The OECD Co-operation and Environmental Agencies must be made to support more integrated efforts of various international bodies, especially with the International Labour Organisation (ILO), United Nations Environmental Programme (UNEP), UN Development Programme (UNDP) and World Health Organisation (WHO). Environment and development agency activities and those of the World Bank should also be streamlined. Along with the OECD, these bodies should work together in embracing the various dimensions of sustainable development and provide their experience, resources, skill and networks. Moreover, they are in the best position to help draw in the combined efforts of economic, environment, social, labour and health Ministries at the national level and especially in the host and recipient countries of funded projects.

In addition, the role of multinational enterprises must be considered a significant factor in their contribution for efforts to address poverty and environmental problems of developing countries. In this regard the OECD *Guidelines for Multinational Enterprises*, remains the only Instrument to date that contains a mechanism to hold companies accountable and reporting procedures of multinational companies for environment and social policy. Development cooperation should seek to promote its adoption and implementation, wherever possible.

Environment and development agencies should be encouraged to follow the DAC guidelines for sustainable development, which aim to support sustainable development strategies by assisting country-driven, capacity-enhancing participatory processes that reflect the priorities of stakeholders. In this regard, the role of trade unions as a key international Civil Society organisations must be factored in, both for their coordinating and networking capacities but also for their advocacy roles in promoting solutions at the national and local levels. In January, 2006 the ICFTU/TUAC and UNEP co-hosted a world Assembly of trade unions in Kenya and adopted a programme of action that fully embodies environment and development issues (see Annex 1.). The OECD should seek to take advantage of such endeavours, as a means of better implementing funded projects.

TUAC Proposals:

1. **Foster coherent international frameworks** to select, implement and evaluate funded projects. There is a need for an overall process to identify gaps, eliminate duplications and promote cross-border and generational synergies, measured against the long term sustainable development needs and targets of recipient countries.
2. **Involve the ILO, WHO, UNDP, UNEP and the World Bank** in developing such a framework with the OECD for the purpose of developing tools, identifying expertise and engaging networks. Work with these organisations to develop tools, indicators and overall targets for monitoring and evaluating progress, through impact assessments, sector or national and peer reviews, as well as through national profiling, e.g. the country profiling studies by trade unions⁴, among others.
3. **Ensure that project funding is made to promote the use of the OECD Guidelines for Multinational Enterprises**, wherever possible.
4. **Promote public participation** of Agenda 21 Major Groups through project funding, especially for OECD constituents, which are in a position to help coordinate and support the implementation of projects, i.e. business, trade unions and NGO's.
5. **Build upon the 'social-environment interface' of the OECD *Environment Strategy*** and strengthen the coordinating of environment and development agency activities with social, labour, environment and economic Ministries of OECD member. Review the OECD *Environment Strategy* with a view to strengthening the social-environmental interface in time for the 2007 EPOC Ministerial.

Session 3: Building Development-Environment Synergies For Implementing International Environmental Agreements

Although some progress has been made in moving towards attaining the Millennium Development Goals (MDGs), the UN Millennium Project report shows that "broad regions are far off track". TUAC agrees with the Millennium Project Report that the Goals are "too important to fail, and must be put on the fast track they deserve". Attaining the MDG's requires a major expansion of finance for development. The UN target of 0.7% of GNP as official development assistance must be respected by all countries. Furthermore, in line with the Poverty Reduction Guidelines adopted by the OECD in 2001, ODA needs to be oriented towards projects and aid recipients that promote positive development models, protects the environment and fosters worker and trade union participation, through the recognition of core labour standards.

The discussion document correctly assesses the enormity of the vulnerabilities of developing countries when faced with the global environmental challenges, such as climate change, chemicals and other issues; especially within the context of poverty reduction. As a result, the prospect of deriving long term benefits from investing into the ratification or

⁴ A full description of the indicators of the country profiles along with their relevant sources, is available at: http://www.global-unions.org/pdf/ohsewpS_1.EN.pdf.

implementation of international Conventions or other Instruments for the environment is often measured instead against the cost of not addressing more immediate needs.

A source of conflict for multilateral environmental and social agreements or Instruments relates to the overriding authority of bilateral or global trade agreements. Such conflict has a dampening effect on the country willingness to ratify or implement environmental or social Instruments.

The problem is aggravated, as the discussion document outlines, by the fact that many so-called environmental problems become the onus of responsibility of only one Ministry, most often the Minister of Environment. This is untenable as many key determinants of health and environmental problems – as well as solutions- lie outside the direct control of one Ministry, in sectors concerned with industry, health, agriculture, education, employment, urban and rural livelihoods, trade, tourism, energy and housing. This clearly ushers a need for sustainable development approaches within Government.

The discussion document also focuses attention on how OECD countries might make use of international environmental agreements to enhance development issues. This must be emphasised, as experience shows that current instruments can be made to have significant social benefits, if planned properly. See Annex 3., the example in Belgium.

The discussion document does not explore how social or other Instruments might be made to strengthen either or both the environment and development aims. For example, quite a number of Instruments of the ILO have important consequences for both the environment and development and thus are relevant to our discussion. For example, see Annex 4.

The implementation of multilateral environmental Instruments at the national level can also create social and employment disruption, some of which can be negative, in the short term. This is anticipated, for example, in the implementation of the Kyoto Protocol, where mitigation plans will create net employment benefits, globally, but cause unemployment in certain sectors or regions. There is a need for development cooperation to focus on social and employment transition planning. Support for research to understanding and properly address anticipated social impacts of change should be a priority, whether the change is from environmental impacts per se, due to international investment on infrastructure or some other factor.

Finally, governments are not in a position to act alone. The OECD must involve Civil Society as a source of political support and partners in implement programmes, including those derived from international or social environmental agreements or instruments.

Issues for discussion:

1. **Respect the UN target of 0.7% of GNP** for official development assistance by industrialised countries. Ensure that ODA is oriented towards projects and aid recipients that promote positive development models, protects the environment and fosters worker and trade union participation, through the recognition of core labour standards.

2. **Work toward eliminating conflict between multilateral-based environmental and social agreements or Instruments with trade agreements** and seek to clarify how they can be made mutually supportive. Especially, promote the use of all available Instruments that relate to both environment and development.

3. **Encourage OECD countries to meet their commitments** for meeting the MDGs and identify new sources of further funding for the next decade.

4. **Make sustainable development the operative principle** for the implementation of multilateral agreements and Instruments and work closely with the International bodies charged for responsibility over these Instruments, especially the ILO and UNEP.

5. **Promote capacity building** of the developing countries to ratify or adopt such Instruments and to integrate their implementation within the planning of financial flows, e.g. ODA and FDI. The OECD should work with development agencies to promote awareness of the environment and development related Instruments among government and Civil Society constituents in both host and recipient countries of funded projects.

6. **Promote research cooperation to better understand and address the social and employment impacts** of ratifying or implementing multilateral agreements or Instrument for the environment and development.

7. **Support joint employer-trade union workplace actions** to protect the environment and promote development.

Annex 1.

Spanish Government, Unions & Business Create Tripartite Climate Change Plan

A trend-setting framework agreement to institutionalize joint oversight of national compliance to the Kyoto Protocol has been adopted by the Spanish government, along with the leading trade union and business organisations in the country. A “Framework to Institutionalize and Organise Social Dialogue, related to the Compliance with the Kyoto Protocol” was negotiated and signed late last March in Madrid, according to information recently made available in English. Both the Confederación Sindical de Comisiones Obreras (CC.OO.) and Unión General de Trabajadores (UGT) are party to the agreement, along with the national government and the two leading business organizations in Spain.

The new Framework has been set up in connection to Spain’s climate change ‘National Allocation Plan’, established to guide national efforts to achieve the requirements of the Kyoto Protocol. The Spanish national Framework was set up to strengthen compliance and identify opportunities and adverse impacts, including social and employment impacts of adaptation and mitigation measures.

The agreement creates a platform for tripartite social dialogue on climate change, bringing the Parties together around an umbrella ‘Dialogue Table’ that will undertake responsibility for monitoring and assessment of issues to guide national compliance. In the words of the framework document, the Parties believe that Kyoto is an opportunity to build a “sustainable development model and productive system” and to “generate better employment and raise the level of social cohesion”.

A striking feature of the agreement is that it aims to “prevent, avoid or reduce the potentially adverse social effects that could result from compliance with the Kyoto Protocol, in particular those related to competitiveness and employment.”

The agreement creates an obligation for the umbrella body to create subsidiary ‘Dialogue Tables’ within seven identified industrial sectors, each with the power and responsibility to act and make recommendations. The Ministries of Finance, Industry, Commerce, Labour and Environment have formal representation in the umbrella Table with appropriate powers and responsibilities to act with designated industrial sectors, covered by subsidiary Tables.

Annex 2.

Quality, Health & Environment in Russia

A project between the Landsorganisasjonen i Norge (LO Norway) & the Federation of Independent Trade Unions of Russia (FNPR).

This project was built as a partnership programme launched by the two organizations to promote cleaner production in Russian industries, through the transfer of knowledge from Norway to Russia. The main objective of the programme was to improve working conditions and reduce emissions. The programme sought to convince business actors that cleaner production constituted a win-win solution; it improved the environment and reduced costs. A six-month training course had been conducted within the framework of the programme, at the end of which, the participants had presented a final project report. The participants were workers, engineers and representatives of middle management.

Annex 3.

Belgium's Climate CDM and JI Projects Include Social Criteria & Trade Union Involvement

A new policy by Belgium shows how the 'flexible mechanisms' (the CDM and JI) can be made to support social and employment policy. Under the current rules for the 2008-2012 year period, Belgium must reduce greenhouse gas emissions by 7.5% (compared to their 1990 levels). To do so it has included a set of social criteria within the terms of its call for tenders to purchase greenhouse gas emission quotas.

Belgium expects as a first step to finance Kyoto Protocol JI/CDM projects which are generated from electricity to the tune of €9.3 million, payment of which will initially be generated from an electricity consumption tax. A call for the submission of projects was launched last Spring, following the recommendations of a technical committee composed of government, trade union, employer and NGO representatives.

As a result, Belgium's Council of Ministers is now seeking to achieve a balance between economic, environmental and social impacts, through the implementation of the flexible mechanisms. Thus, to be accepted, project proponents must respect the principles of the OECD's Guidelines for Multinationals, the eight basic Conventions of the ILO Declaration on Fundamental Principles and Rights at Work, and ILO Conventions 155 on Occupational Health and Safety and 169 on Indigenous and Tribal Peoples.

Employment rates, quality and skills development must be observed. Proponents must show compliance to labour standards and ensure access to essential services, including energy. They must develop a plan for monitoring the environmental, social and economic impact of the project. Where pre-financing of the project is desired, trade unions must be involved in monitoring. See: <http://www.klimaat.be/jicdmtender/indexB.htm>.

Annex 4.

ILO Instruments of relevance to the environment

Prevention of Major Industrial Accidents,
Convention 139 Occupational Cancer,
Convention 148 Hazards due to Air Pollution.
Convention 155 Occupational Health,
Convention 161 Occupational Health Services,
Convention 162 Safety In the Use of Asbestos,
Convention 167 Safety and Health in Construction
Convention 170 On Chemicals
Convention 184 Safety and Health in Agriculture

ILO Instruments of relevance to Development

Convention 29 Forced Labour,
Convention 87 Freedom of Association,
Convention 98 Right to Organise,
Convention 100 Equal Remuneration,
Convention 111 Employment Discrimination,
Convention 121 Employment Injury,
Convention 122 Employment Policy,
Convention 132 Maternal Protection,
Convention 138 Minimum Age,
Convention 182 Worst Forms of Child Labour,
Declaration on Fundamental Principles and Rights at Work.