
Submission to the UN Special Rapporteur on Extreme Poverty

Consultation on the “Just Transition”: People in poverty
and sustainable development

10th June 2020

The Institute for Human Rights and Business (IHRB) welcomes the focus of the Special Rapporteur’s next report to the UN General Assembly on this topic and is grateful for the opportunity to share our feedback. This submission focuses on two specific questions posed by the Special Rapporteur (2.1 and 4.2) as they relate to the developing work IHRB is undertaking in two key areas: the built environment and just transitions. At the beginning of each response, we have provided a brief overview of our planned work, and would be pleased to share more information on these projects as they develop during the second half of 2020 and into 2021.

Question 2.1

Which tools have proven successful to ensure that the imposition of higher standards related to the energy performance of buildings do not lead to an increased level of rents, making housing less affordable for low-income households?

IHRB, together with the Raoul Wallenberg Institute, Australian Human Rights Institute at the University of New South Wales, and Rafto Foundation, is currently conducting a global consultation on the “Framework for Dignity in the Built Environment”.¹ The Framework follows the six stages of the built environment lifecycle from land acquisition, planning and finance, through design, construction and use, to re-development.

This Framework underpins a programme of work that seeks to advance human rights in the built environment at two levels: by raising the level playing field and strengthening accountability of private sectors actors; and through project-level innovation and leadership. The programme will be supported by policy research – including in the area of green buildings and the right to housing. We look forward to continuing to be in touch with the UN Special Rapporteur during the course of his mandate.

¹ At: <https://www.ihrb.org/focus-areas/built-environment/>

Question 2.1 elevates an issue of critical importance. To successfully address both climate change and inequality, we will need to dramatically reduce emissions from existing and new buildings while expanding, rather than reducing, access to affordable housing.

Buildings contribute 40 percent of the world’s emissions – through ‘embodied’ carbon in the materials used for construction, and through energy use during their operation.² Meanwhile, global floor space is projected to double by 2060. There are growing and important efforts to green the building sector, with the IFC projecting a \$24.7 trillion investment opportunity in green buildings in emerging markets through to 2030³, and with Europe’s recovery package from COVID-19 including “a massive renovation wave of our buildings and infrastructure”.⁴ However, leading green building projects can skew towards the high-end of the market, which can contribute to rising housing costs in surrounding areas.⁵ As cities face deepening affordability crises, and over a billion people live in informal settlements,⁶ specific policies, incentives and practices that channel green building finance in ways that expand access to affordable housing will be essential.

Below are some specific areas of action which include existing examples, and which merit further research and identification of opportunities for scaling.

Incorporation of affordable housing protections in green building legislation

In 2019 New York City passed the Climate Mobilization Act, including Local Law 97 that requires emissions reductions from buildings over 25,000 square feet – a 40% reduction by 2030, and 80% by 2050 relative to 2005 levels.⁷ While there are financial penalties for building owners who do not comply with the provisions, buildings with rent-controlled housing have less strict requirements and some affordable housing properties are exempt from the law. These provisions intend to protect residents of affordable housing units from potential rent hikes associated with building efficiency upgrades. However, some advocates have raised concern that this creates a double-standard for improved efficiency.⁸

Incentivising construction and retrofits for green and affordable housing

In Mexico, the second-largest construction market in Latin America, programs have been developed that address affordable housing and energy efficiency together. These include the green mortgage program run by INFONAVIT (Instituto del Fondo Nacional de la Vivienda para los Trabajadores)⁹ and the EcoCasa program.¹⁰

2 International Energy Agency, Global Status Report for Buildings and Construction, 2019, at: <https://webstore.iea.org/2019-global-status-report-for-buildings-and-construction>

3 “Green Buildings: A Financial and Policy Blueprint for Emerging Markets”, IFC, at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/climate+business/resources/green+buildings+report

4 At: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_940

5 For example, see “Making Developments Green Doesn’t Help with Inequality”, on the Barangaroo project in Sydney, The Conversation, at: <https://theconversation.com/making-developments-green-doesnt-help-with-inequality-104941/> “Why Green Buildings are a Civil Rights Issue”, Charleston Chronicle, at: <https://www.charlestonchronicle.net/2020/03/02/why-green-buildings-are-a-civil-rights-issue/>

6 See: <https://unstats.un.org/sdgs/report/2019/goal-11>

7 See Local Law 97 of 2019, at: https://www1.nyc.gov/assets/buildings/local_laws/ll97of2019.pdf

8 See Energy Efficiency for All New York – Climate Mobilization Act, at: <https://www.nyeeffa.org/about/>

9 At: <https://portalmx.infonavit.org.mx/wps/portal/infonavit.web/proveedores-externos/para-tu-gestion/desarrolladores/hipoteca-verde>

10 At: <https://www.gob.mx/shf/documentos/ecocasa/>. More details available, and on policies in additional countries, within WRI’s working paper, “Accelerating Building Decarbonization: Eight Attainable Policy Pathways to Net Zero Carbon Buildings for All”, at: <https://files.wri.org/s3fs-public/accelerating-building-decarbonization.pdf>

Strengthening action on affordable housing within green building certification programs

Green building certifications such as LEED, BREEAM and national-level certifications are on the rise and likely to receive an additional boost through COVID-19 recovery packages. These standard-setting bodies are working to strengthen their social criteria and applications (for example through the “Better Places for People” initiative of the World Green Building Council at the international level,¹¹ and national-level initiatives such as “Centering Equity in the Sustainable Buildings Sector” in the US.¹²

In this context, there is an opportunity to raise awareness of the importance of factoring housing affordability – and other elements of the right to housing – both at the level of specific projects, and in terms of impacts on neighboring communities and wider urban areas. IHRB and partners will work on this issue through our collaboration on Dignity in the Built Environment.

“S” in “ESG”

Multiple investor initiatives are emphasizing the need to scale up understanding and action on the “S” in “ESG” (Environmental, Social and Governance concerns).¹³ This provides an important entry point for ensuring that investors that are focused on green and sustainable real estate opportunities also take the risks and opportunities related to the right to housing into account.

Address the working and living conditions of migrant construction workers on green building projects

Another important dimension through which green buildings can intersect with poverty and the right to housing is in the working and living conditions for construction workers – who are often internal or international migrants, and vulnerable to exploitation. The COVID-19 pandemic brought renewed attention to this issue, for example in Singapore and the Gulf¹⁴ where the cramped living conditions for migrant workers placed them at high risk of infections. As a recent piece on the situation in Singapore put it: “Developers have, to date, largely focused most of their sustainability efforts on green buildings and finance. This is essential to fight global warming, the biggest challenge of our time. But it is also high time we scrutinise the labour and human rights performance of their supply chains.”¹⁵ IHRB has a long-standing programme of research and policy advocacy on migrant workers in construction and other industries.¹⁶

Further research is needed on the ways in which green building projects in diverse contexts affect the right to adequate housing, both positively and negatively – as well as research, policy development and advocacy in the above specific areas.

11 At: <https://www.worldgbc.org/better-places-people>

12 Led by NAACP, at: <https://naacp.org/climate-justice-resources/centering-equity-sustainable-building-sector/>

13 See “Coronavirus forces investor rethink on social issues”, Financial Times, at: <https://www.ft.com/content/bc988e0e-687c-4c72-98eb-ae2595e29bee> and “ESG Investing: Coming into its own, and not a moment too soon”, speech by John Ruggie, at: https://www.business-humanrights.org/sites/default/files/documents/Montreal%20RIA_John%20Ruggie%20speech.pdf

14 See “Home Is Where Your Employer Sees Fit”, Migrant Rights, at: <https://www.migrant-rights.org/2020/05/home-is-where-your-employer-sees-fit/>

15 At: <https://www.eco-business.com/opinion/to-give-migrant-workers-a-fairer-deal-hold-developers-and-the-supply-chain-to-account/>

16 At: <https://www.ihrb.org/focus-areas/migrant-workers/>

Question 4.2

For green restructuring, new skills will be needed by workers in many existing occupations and industries. Governments, worker representatives and employers should work together to: (1) identify early potential job losses in emitting industries and (2) propose skills upgrading and training to the workers of those industries either to adapt their skills to a new green technology or to move to green industries. What labour market policies or measures can ensure that the most vulnerable workers in the labour market receive targeted assistance and preferential treatment to identify their skills’ deficiencies and ensure their access to green jobs through tailor-made training, directly linked to specific job openings?

IHRB is currently in the process of developing 3 “just transitions” pilot projects that look at how stakeholders in different parts of the world - Colombia, the Arctic region, and Myanmar and neighboring countries (Bay of Bengal), are attempting to address a range of human rights issues associated with transitions “out” and “in” of specific industry sectors, as well as building resilience to the effects of climate change. The latter of these pilots will focus specifically on impacts on some of the world’s poorest communities and the associated risks to biodiversity. IHRB will be pleased to share more information on these projects as they develop. We will also be issuing a research paper on how the UN Guiding Principles on Business and Human Rights and related standards might inform Just Transition processes.

It is important to note that standard definitions of “green jobs” typically focus on employment relating to renewable energy and energy efficiency to the exclusion of equally important work to strengthen social sustainability, in particular jobs in health care and education sectors. These sectors should be included in any rights-focused analysis of just transitions and a broader definition of green jobs, in particular in the context of targeted assistance to vulnerable workers. For example, care and education sectors employ high numbers of women, who often face multiple vulnerabilities in terms of lack of equal pay, higher incidence of workplace harassment, and other areas.¹⁷

On the issue of forms of assistance to individuals, recent analysis on industrial transitions across OECD member countries concluded that “adults who are most vulnerable in the labour market, such as those with few qualifications, the long-term unemployed and those with skills at high risk of job automation” are least likely to participate in education and training opportunities. The OECD analysis found that workers face many obstacles to participation in training programmes, including a lack of time and a lack of employer support.¹⁸

A 2019 briefing for the European Parliament noted:

“...individuals can be empowered to participate in upskilling through a number of actions many of them linked to what is known to work well in assisting older workers engage in training. These include:

- the use of individual learning accounts or vouchers. These can increase the likelihood that those with relatively low level skills are able to gain access to training, but they will need to be funded in such a way that they are attractive to training providers and target the low skilled s as there is a tendency for them to be used by those with relatively high levels of skill;*
- provision of training leave within companies so that individuals are able to update and renew their*

¹⁷ For additional information see for example, Redefining Green Jobs for a Sustainable Economy, The Century Foundation, December 2019, available at: <https://tcf.org/content/report/redefining-green-jobs-sustainable-economy/?agreed=1>

¹⁸ Regions in Industrial Transition: Policies for People and Places, OECD, 2019, page 44

skills; and

- *the use of collective/workplace agreements to guarantee employee access to training – for example as set out in the in the Joint Recommendations of the European Social Partners on Promoting Social Partnership in Employee Training.*¹⁹

Experiences of developing countries are also noteworthy in the context of efforts to encourage dialogue and action to foster the green economy.

The Philippines

In the Philippines, the 2015 Green Jobs Act makes decent work and human capital development central to pursuit of climate-resilient and environmentally sustainable pathways. The Act requires the Department of Labor and Employment (DOLE) to formulate a National Green Jobs Human Resource Development Plan with the primary objective of “enabling and sustaining the transition into a green economy and the generation of green jobs towards more employment and equal opportunities and the promotion of social justice and workers’ welfare.”²⁰

South Africa

In South Africa, there are a number of policy spaces that provide opportunities to advance green restructuring and decent work, notwithstanding significant political ramifications. Among them are the National Planning Commission’s Stakeholder Dialogue on Pathways for a Just Transition²¹, the National Employment Vulnerability Assessment, and Sector Job Resilience Plans.²² In November 2019, researchers at the University of Witwatersrand produced an accessible booklet on Climate Change and the Just Transition from Coal,²³ with the support of Friedrich Ebert Stiftung.

National Technical Assistance

The International Labour Organization highlights that transitioning to a “green economy” can act as an engine for growth and decent work creation but caution is warranted, as such jobs will not be “decent by default, but by design.”²⁴ The reality is that many workers who will lose jobs as a result of required responses to the climate crisis won’t have the skills or access needed to seize new “green” employment opportunities. The ILO’s Skills for Trade and Economic Diversification (STED) programme is an example of how technical assistance can support countries in promoting economic diversification and employment creation, but scaled up efforts of this kind are needed involving corporations, trade unions and others to achieve sustainable impacts.²⁵

19 Skills for the labour market, European Parliament Briefing requested by the EMPL committee, September 2019, page 11 [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/638431/IPOL_BRI\(2019\)638431_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/638431/IPOL_BRI(2019)638431_EN.pdf)

20 <http://www.officialgazette.gov.ph/2016/04/29/republic-act-no-10771/> section 6

21 See https://www.environment.gov.za/sites/default/files/docs/justtransitiontoalowcarbon_telenoadialogue.pdf

22 Referenced in Stockholm Environment Institute, The End of Coal? Planning a “just transition” in South Africa, February 2019

23 https://2b912727-9f2a-44dd-9a10-190714b850bf.filesusr.com/ugd/de7bea_6e103ad4803540d4a0309550249edd4c.pdf

24 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_554315.pdf

25 <https://www.ilo.org/skills/projects/sted/lang--en/index.htm>