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QUICK TIPS

## INTEGRATING CLIMATE AND THE ENVIRONMENT IN SOCIAL PROTECTION SYSTEMS

Social protection aims at protecting individuals against life's contingencies and at reducing social and economic uncertainties and risks. Yet, more than half (53%) of the global population is not covered by any form of social protection (ILO, 2021).

The poorest members of society are also those most affected by environmental degradation and the impacts of climate change. Negative impact is felt in food production and nutrition (e.g. lower crop yields due to land degradation and drought), exposure to natural hazards (e.g. irregular settlements in risk-prone areas, increased risk of flash floods associated with deforestation and climate change), poorer health (e.g. acute respiratory infections associated with indoor air pollution from the burning of wood and charcoal), and lower access to education (e.g. lower school attendance in rural areas if children need to help their parents recover from environmental and climatic shocks). As highlighted by the COVID19 pandemic, the deterioration of ecosystems also accelerates the emergence of viruses dangerous to human populations.

The social and human costs of continued environmental degradation and the need to adapt to climate change is increasing. **Environmental and climate change issues should also, therefore, be understood and addressed by public services as social risks.**

Moreover, the ecological transition may prove more difficult for less well-off households, notably those more dependent on carbon-based energy. Policies to reduce carbon emissions may lead to price increases, which will be disproportionately felt by these groups. This additional risk can be aggravated by a lack of - or inadequate - public action, which in turn may hamper the social acceptability of a green transition.

This note presents practice-oriented "quick tips" to promote interventions that promote the integration and adequate consideration of environmental sustainability and climate action in **social protection systems**.

"We must recognize that effective and comprehensive social protection is not just essential for social justice and decent work but for creating a sustainable and resilient future too."

Guy Ryder, ILO Director-General

## Social protection can be used in different ways to prevent people from being affected by future shocks, including those related to the multiple environmental crises.

- ▶ Social protection can **support climate vulnerable communities** in their adaptation efforts. Provision of social services including healthcare, social assistance, risk insurance and asset protection, livelihood diversification, and fiscal measures to support energy efficiency of residences can help climate vulnerable communities to cope with their changing conditions.
- ▶ The energy transition implies a shift in productive and economic practices that may negatively impact workers where employment is tied to GHG emitting practices (such as in coal mining, or coal power plants). Social transfers, including cash transfers and unemployment benefits, training and public works programmes, can **help those affected by energy shifts**, should it be at professional (e.g. due to reduced activity in a GHG emitting sector) or at domestic level (e.g. higher household energy costs).
- ▶ A shift towards a green economy, including through climate action and the reduction of greenhouse gas emissions, implies using new processes and activities in all economic sectors, **generating new employment opportunities**. For example, the ILO estimates that 24 million new jobs could be created by 2030 through efforts to reduce carbon emissions and reliance on fossil fuels, and to improve energy and resource efficiency (ILO 2018). Access to social security, introduction of Active Labour Market Policies, including reskilling and retraining, as well as public works programmes, can ensure that everyone – including the most vulnerable – benefit from these new opportunities.



## A tool for climate resilience and environmental sustainability

Social protection can acknowledge the changing and unpredictable nature of climate-related impacts and contribute to the availability of social and environmental goods on which the communities will rely on.

- ▶ Promote the concept of adaptive social protection (also referred to as shock-responsive social protection), by proposing social protection measures to strengthen people's resilience. The mapping of climate vulnerability and disaster risks (potentially through the use of climate vulnerability indexes) can be useful to identify priority groups for cash transfers (conditional and unconditional), or their potential impact on expenditure.
- ▶ Encourage the coordination of authorities responsible for social protection, climate change adaptation and mitigation, environmental protection and disaster risk reduction, including with the creation of early warning systems. This coordination should aim towards wider coverage of the population with social protection schemes and broader, interoperable digital social protection systems for identification and payment of potential beneficiaries.
- ▶ Link public works programmes and guaranteed work schemes to environmental protection and climate change adaptation activities (e.g. rehabilitation of roads and water infrastructure, de-silting irrigation canals, livelihood diversification, strengthening embankments, mosquito breeding site control).
- ▶ Use public work programmes as a buffer against maladaptation (e.g. by avoiding adverse coping mechanisms adopted by poor households or affected by shocks, such as additional land clearing, afforestation, maladaptive migration).
- ▶ Combine cash transfer programmes with payment for environmental services (PES) as a way to link poverty reduction and environmental protection initiatives. For instance, upstream communities can be rewarded for their stewardship services of upper ecosystems in a watershed management perspective.
- ▶ Explore disaster risk and weather-index insurance as measures that increase resilience of rural communities: under such schemes, indemnifications are triggered by pre-specified patterns of the insurance, as opposed to actual yields, which provides an incentive to farmers to make productive management decisions.
- ▶ Use disaster or climate funds to strengthen social protection systems. Recognizing the role of social protection systems for identifying and delivering assistance in an environmental or climate-related crisis, the Global Shield against Climate Risks, the Adaptation Fund and other similar initiatives could help finance much needed investments in these systems, particularly in low-income countries.
- ▶ Build capacity through training of social protection institutions on the implications of environmental degradation and climate change for the sector.
- ▶ Analyse the social impacts of nature conservation initiatives (see [IUCN](#)).





## Opportunities to achieve climate change mitigation objectives

To put a just transition into practice, social protection should be tied to green policies by contributing to their acceptability and to strengthening social consensus<sup>1</sup>.

- ▶ Advocate public works programmes in sectors that have a climate change mitigation potential e.g. environmental protection, integrated waste management, recycling, forest management, afforestation, and a circular economy.
  - ▶ Generate and enhance income opportunities in the green transition, natural resources and ecosystem services, ensuring that jobs created are decent and that the most vulnerable have the skills and opportunities to access these jobs.
  - ▶ Remove or correct the design of energy subsidies. Currently, half of the spending on energy subsidies goes to the richest 20 per cent, who consume more energy. To reach those furthest behind, seek opportunities to redirect these payments towards shock-responsive social protection systems, which can protect individuals in times of need. When subsidies are linked to social protection packages, seek ways to shift them, for example towards the generation of renewable energies.
  - ▶ Ensure that proposed social protection packages do not interfere with global commitments to protect biodiversity and combat desertification (such as those leading to land conversion).
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- ▶ Global leaders increasingly recognize the role social protection can play in promoting environmental sustainability, including to address climate change impacts. The ILO's [Just Transition Guidelines](#) identify social protection as a way to promote a just transition and call for fiscal resources to be 'directed towards social protection and active labour market policies to foster job creation and help workers to adjust to environmental sustainability policies' (ILO, 2016). At COP27, the [Sharm el-Sheikh Implementation Plan](#) emphasized that "just and equitable transition encompasses pathways that [...] must include social protection so as to mitigate potential impacts associated with the transition" (UNFCCC, 2022).
  - ▶ The European Green Deal also specifically puts social protection at the centre of any just transition process. The EU's Just Transition Mechanism mobilises resources and research to address risks and opportunities for social protection interventions. It recognizes that social protection of specific groups need to be carefully considered. For example, early retirement programmes, along with retraining and reskilling interventions, can be adopted to support workers exiting polluting industries. Low-carbon and 'society-building' jobs (e.g. in the care economy) can also be promoted through public-works type of social protection programmes.

<sup>1</sup>See ILO 2017



## Creating an enabling environment for greener social protection systems

- ▶ Intertwine social protection considerations with climate policies and notably Nationally Determined Contributions and National Adaptation Plans. Differentiate between the social impacts of climate change and environmental policies, especially concerning the poorest sectors of the population. For instance, ensure that energy pricing schemes do not increase the social vulnerability of the poorest – and compensate them if they do.
- ▶ Fiscal systems (both revenue and expenditure) and investments in people's wellbeing can work in line with both a green shift and social protection in an economy. For instance, supporting the reduction of fossil fuels subsidies can make budgetary space for both green and social protection measures.
- ▶ Reframe policy dialogue on social protection to address the economic and social costs of environmental degradation and climate change (e.g. the impact of land degradation on rural livelihoods), as well as the economic and social benefits provided by ecosystem services (e.g. increased resilience to climatic hazards from natural sea defences).
- ▶ Support environmental health as a cross-cutting policy, notably in environmentally sensitive sectors. For instance, limiting road traffic emissions can reduce the risk of illnesses linked to related pollutants and the associated social costs. To this end, it is important to build the capacity of national stakeholders to consider climate-smart options: for example, increase awareness and capacity of social workers to promote climate resilience, or link cash transfers to the use of green public transportation.
- ▶ Promote the consideration of costs of environmental degradation and climate change in sector policies, plans and budgets. This may require reflecting on the environmental performance of the social protection sector, strengthening of data systems and use of qualitative assessments.
- ▶ Use the local level to maximise impact. Local climate vulnerability and disaster risk studies identify priority areas and groups and can guide decisions related to mobility, settlements, food and energy. Decentralised action also means that local stakeholders can be involved in the measures taken, so that people are more likely to support them.



## Further information and support

- ▶ International Labour Office. World Social Protection Report 2020–22: *Social Protection at the Crossroads – in Pursuit of a Better Future*. Geneva: ILO, 2021 [https://www.ilo.org/wcmsp5/groups/public/@ed\\_protect/@soc\\_sec/documents/publication/wcms\\_817572.pdf](https://www.ilo.org/wcmsp5/groups/public/@ed_protect/@soc_sec/documents/publication/wcms_817572.pdf)
- ▶ Suich, H. and Dawson, N. (2023). *Review of methods for assessing the social impacts of conservation*. Gland, Switzerland: IUCN. [https://www.iucn.org/sites/default/files/2023-03/review-of-methods-for-assessing-the-social-impacts-of-conservation\\_1.pdf](https://www.iucn.org/sites/default/files/2023-03/review-of-methods-for-assessing-the-social-impacts-of-conservation_1.pdf)
- ▶ *A just transition to a sustainable future* - ILO 2017 [https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-brussels/documents/publication/wcms\\_614024.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-brussels/documents/publication/wcms_614024.pdf)
- ▶ *World Employment and Social Outlook 2018: Greening with jobs* International Labour Office – Geneva: ILO, 2018 [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_628654.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_628654.pdf)
- ▶ *Facing climate change: how can social protection and labour employment measures support adaptation and mitigation?* Socieux+: [final\\_eng\\_climate\\_change\\_social\\_protection\\_labour\\_employment.pdf](https://www.socieux.be/final_eng_climate_change_social_protection_labour_employment.pdf) (belgium.be)

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