

Executive summary

The Asia-Pacific region has made insufficient progress on the 2030 Agenda for Sustainable Development. While some targets have advanced, none of the 17 Sustainable Development Goals (SDGs) are on track to be achieved by 2030. Progress on climate action (Goal 13) has regressed, with escalating climate impacts threatening the region. However, the current situation also presents an opportunity for transformation through the transition to low carbon, resource efficient, and socially inclusive economies, which protect and maintain diverse ecosystems in the management of oceans, coasts and freshwater ecosystems (hereafter green and blue economies). By simultaneously addressing climate change, resource sustainability, and social inclusion, the transition could create 180 million new and decent jobs by 2050, while delivering improved health outcomes and reduced environmental impacts.

The potential for job creation will be concentrated in key sectors driving the green and blue transition, with renewable energy leading the way. The Asia-Pacific region's renewable energy sector already supports 10.5 million jobs with upward potential. Rapid urban development is another opportunity for job growth, as cities prepare for a projected 350% jump in passenger transport demand by 2050, driving an expansion in green transportation infrastructure and services. In the waste management sector, particularly in recycling, the demand for green jobs will also rise, as the region generates 800 million tonnes of waste, annually, some 40% of the global total. Oceans and freshwater ecosystems are vitally important for the region socially, environmentally and economically. As such, the blue economy, a subset of green economy, requires specific attention. Sustainable fisheries are projected to grow rapidly, with the region's fish farms anticipated to produce over 60% of global fish supplies by 2030. The economic value of coastal tourism, particularly important for small island developing States, could double by 2030, bolstered by an increase in sustainable practices.

Notwithstanding this, the economic transformation comes with significant risks and challenges. The phase-out of non-renewable energy sectors will require around millions of coal industry workers to reskill. Moreover, moving towards sustainable or smart agriculture could put 13 million of the region's agricultural workforce at risk by 2030. These impacts disproportionately affect disadvantaged groups, including women and informal workers, who often lack access to state support or other safety nets. These uneven risks and impacts need to be addressed if the transition to green and blue economies is to be *just*, that is, as fair and inclusive as possible, creating opportunities for decent work and leaving no one behind.

The region's ability to deliver a just transition is challenged by large workforce skills gaps. In most developing countries in the region, the majority of workers are engaged in low- and middle-skilled occupational roles, especially in agriculture. Moreover, education, particularly in science, technology, engineering and mathematics (STEM), which is crucial for innovation, remains limited, especially among women. Two-thirds of the region's workforce are engaged in informal employment, which leaves many workers without access to social protection, training, or labour market support. Women face additional barriers, often confined to low-skilled roles despite the emergence of new job opportunities in green sectors. Inadequate healthcare coverage and social protection systems further complicate the transition, particularly for women, migrants and informal workers.

People-centred public policies with a focus on achieving decent work, workforce health and wellbeing, and gender equality are required to better prepare the workforce for the transition. While local contexts will shape governments' priorities for action, three priority areas stand out across the region: workforce development, transition-ready social protection, and gender equality.

Workforce development: A skilled and adaptable workforce is essential for driving changes in industries and businesses to decarbonise economies and protect and conserve natural resources. However, skills shortages are already slowing progress. For example, a lack of trained workers in the energy sector is stalling the expansion of renewable energy infrastructure. To close these gaps, governments must take a systematic approach to workforce development. This includes forecasting labour market needs, assessing skills gaps, strengthening public-private partnerships for skills development, and ensuring training opportunities are accessible to all. A growing demand for green skills also calls for new training infrastructure, more trainers, and support for micro, small and medium-sized enterprises (MSMEs), which, in most countries, are the largest employer.

Transition-ready social protection: The transition has distributional consequences, with many workers, especially in lower skilled jobs, at risk of unemployment and with limited resources and capacity to adapt. Strong social protection systems are needed to ensure that affected workers are financially more secure and can access essential services such as health and education, and reskilling opportunities for new decent green jobs, regardless of gender. With nearly half of the region's population lacking social protection, expanding coverage is crucial, which can be achieved through a blend of schemes, including unemployment benefits and affordable, universal healthcare. Social protection must also cover the region's sizable informal workforce. In addition, active labour market programmes with job matching, skills training and support for labour mobility, can help workers move into green jobs. Adaptive or shock-responsive social protection measures can also be used to reduce some of the adverse impacts of the transition.

Gender equality: For the green and blue transition to work for all, gender equality must be prioritised across the region. This includes support for inclusive education, skills development, leadership opportunities, and recognition and support for care work. Reforming public and private institutions with a focus on achieving gender transformative change will unlock the benefits of women's economic empowerment and increased participation in decision making. An inclusive focus on green skills and jobs will ensure employment associated with the transition does not replicate existing gender disparities.

The report identifies five enablers for a just transition underpinned by inclusive workforce development, transition-ready social protection, and gender equality in the region:

First, policy development, coherence and coordination: A just transition is a policy driven process. It calls for innovative policy development and integration across multiple areas of the public sector and jurisdictions. National climate action plans are an important way of embedding just transition policies. At the national and sub-national levels, governments must establish clear mandates and targets in their climate strategies for workforce planning and coordination. To achieve the targets set out in climate action plans, sectoral ministries must collaborate on policy development, planning and programming.

Second, harnessing digitalization and technological innovation: Digital solutions and technological innovations are key catalysts of a just transition because of their capacity to enhance efficiency, inclusiveness and accessibility in workforce development. Digital technologies can also enable more complex and timely data collection and more effective service delivery. Equitably extending the advantages of digitalization and technological innovation requires bridging the digital divide - by gender, rural-urban, or other characteristics - through additional investments in digital infrastructure and digital skills.

Third, financing: Significant financial resources are needed to support the transition, including for the phase out of carbon-intensive industries, workforce development, and the upgrading of social protection systems. While governments play a key role in providing policy certainty and a firm fiscal base for social investments, multilateral development banks and international

organizations must provide much of the targeted transition and development financing. New financing tools such as blended finance, sustainability bonds, carbon pricing, and private capital must be unlocked to support the transition and attract climate-related investments.

Fourth, strengthening social dialogue and partnerships: The scale and complexity of developing and building the capacity of the workforce for the transition requires strong and inclusive social dialogue among governments, employers and employees, among others, with a focus on employees and their organizations that are usually underrepresented in decision making processes. International partnerships and cooperation are also critical, not only because economies are interlinked, but also because developing countries have a right to transition support. Cooperation is key to ensuring that assistance is tailored to meet country needs.

Fifth, overcoming biased social norms for gender equality: Achieving gender equality requires transforming social norms and practices that impede women’s full and equal participation in the economy, including in green and blue sectors. This must be supported by gender-responsive skills development, career progression, entrepreneurship and leadership, alongside increased access to and ownership of resources. It is important that progress in addressing gender biases is measured through specific targets and outcomes.

The urgency for action is clear: A just transition to green and blue economies is critical for the region to improve environmental sustainability while supporting livelihoods and reducing inequalities. While there are considerable obstacles to achieving such a transition, solutions from the region show how these challenges can be overcome by focusing on workforce development, transition-ready social protection, and gender equality. The five enablers outlined in this report are instrumental in supporting countries across the region to replicate and scale up such solutions, thereby accelerating progress towards the Sustainable Development Goals.

The figure below summarises the framework of a just transition of the workforce and the key features of this process, as discussed in this report.

