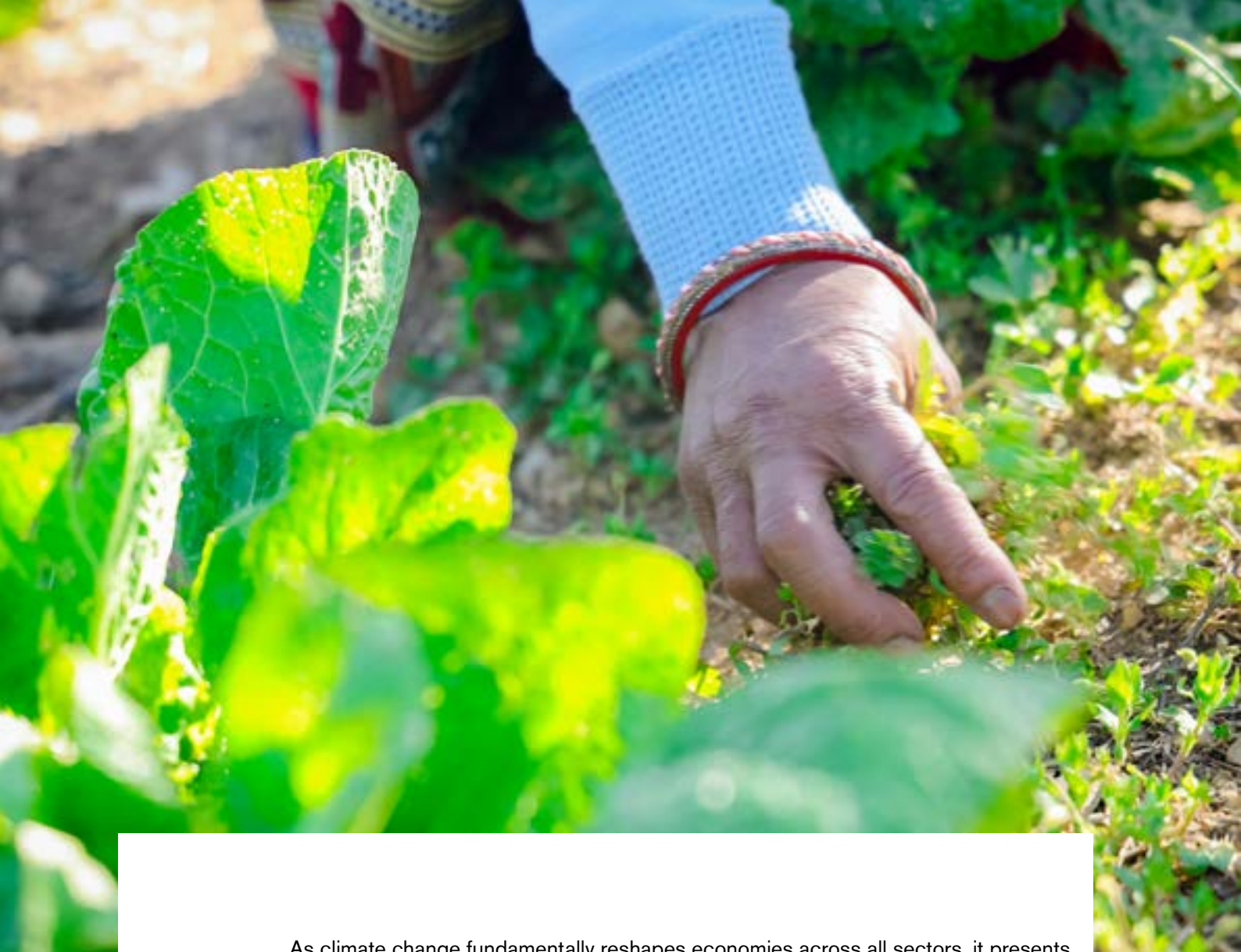


POSITION PAPER

AN INCLUSIVE GREEN TRANSITION: ALIGNING SKILLS AND JOBS FOR IMPACT





As climate change fundamentally reshapes economies across all sectors, it presents challenges and opportunities requiring new skills, new jobs, and changes to existing roles. For Swisscontact, the green transition is an opportunity to align our long-standing work in skills development, employment and enterprise development with the demands of a sustainable future. At the heart of our response lie our **sustainability strategy and our climate change ambitions** that guide our efforts across environmental, social, and governance (ESG) as well as climate change dimensions—both within our operations and across our project portfolio.

A key pillar of this strategy is our commitment to green skills and green jobs. We have set ambitious targets: 30% of jobs created or retained through our interventions should be green or greener; 50% of people trained should acquire green skills; and 50% of our projects should actively promote green skills or green employment. These goals reflect our vision of an inclusive green transition that is both socially responsible and built to endure.

This position paper outlines Swisscontact's understanding of green skills and jobs, the opportunities and challenges the green transition presents in our partner countries, and our value proposition as a learning organisation. It is intended to clarify our position internally and to communicate our value proposition to partners and donors who share our commitment to an inclusive green transition.

Navigating the green transition: from structural change to inclusive employment

Before identifying green skills or jobs, it is essential to understand the broader dynamics of the green transition. **We understand an inclusive green transition to go beyond low carbon development, to be a shift towards a new development model that ensures environmentally sustainable, resilient, and more equitable societies for current and future generations.** This requires tackling climate change and its negative consequences such as environmental degradation and loss of biodiversity, while reducing inequalities and promoting socially inclusive and resilient societies.¹

Therefore our approach to an inclusive green transition begins not with isolated training efforts, but with a deep understanding of the economic and social transformations underway. Projects that focus primarily on skills development, risk reinforcing the assumption that skills gaps are the main constraint, when in fact they are often a symptom of deeper structural challenges. A more effective approach begins with addressing these systemic issues, with skills development positioned as one element of a broader strategy:

- **Identifying key sectors, industries and specific occupations** that are either driving or being reshaped by the green transition;
- **Analysing employment dynamics** within firms in these sectors, including the nature of changes they are undergoing—such as more efficient processes, new business models or technologies;
- **Assessing the skills and jobs implications** of these changes within that context, whether these are new/adapted skills for the same jobs (upskilling) or skills for entirely new jobs.

Only within this broader frame can we meaningfully assess what skills exist, what skills are needed, and how they relate to actual labour market demand.



¹ Adapted definition from the European Training Foundation, 2023: Skills for a Green Transition.

Opportunities we see in the green transition

The green transition presents a major opportunity for economic diversification, innovation, and job creation. While this includes roles in emerging green sectors such as renewable energy, sustainable agriculture, circular economy, and green construction, **the most significant employment impact is expected to come from the transformation of existing sectors**—not the emergence of entirely new ones.

As emphasized by the Swiss Agency for Development and Cooperation (SDC),² traditional occupations across industries will increasingly require new skills, technologies, and business models to align with climate and sustainability goals. This shift will look different across contexts: in some countries, it may involve retrofitting infrastructure or decarbonizing transport, while others, it may focus on climate-resilient agriculture, sustainable urban development, or informal sector innovation.

Importantly, the green transition also opens up new roles in service sectors—such as green finance, sustainable tourism, environmental consulting, and education—which are especially relevant in many of Swisscontact’s partner countries. These sectors play a critical role in enabling and scaling sustainable practices across the economy.


Challenges we see in the green transition

We also understand that a just and inclusive transition is not guaranteed. Despite these opportunities, the green transition also presents significant challenges:

- **Green Transition ≠ More Jobs:** The transition does not automatically lead to a net increase in employment. In some sectors, efficiency gains may reduce labour demand, while others may struggle to absorb new workers fast enough to scale quickly.
- **Green Transition ≠ Decent Jobs:** Not all green jobs are decent. Many may be informal, low-paid, or lack social protections — particularly in economies in transition. Without deliberate efforts, the green economy could replicate existing inequalities.
- **Skills Mismatch:** Many training systems produce skills that do not match current labour market needs—particularly in the green economy. People are often trained for roles that are outdated or not yet viable at scale.
- **Access to the greener labour market:** With shifting skills and qualification demands a large share of the workforce may not be able to benefit from the green transition, particularly where access to training, finance, and formal markets is limited.

The green transition presents both significant opportunities and complex challenges for labour markets worldwide. While it holds the potential to drive innovation, diversify economies, and create more sustainable livelihoods, it also demands deliberate action to ensure that no one is left behind. As countries navigate this shift, aligning skills development with evolving labour market needs will be essential to making the transition inclusive, equitable, and effective.

² SDC (2024). Input Paper on Green Skills.



Our understanding of green skills and jobs: What makes a job or a skill “Green”?

The terms **green skills** and **green jobs** are increasingly used in policy, education, and labour market discussions, yet they often lack a consistent and comprehensive definition. This ambiguity can hinder the effective planning and implementation of green transition strategies. At Swisscontact, we move beyond sector-based classifications and instead understand green skills and jobs by their tangible contribution to one or more of the following outcomes:

- **Climate change adaptation**, including resilience-building, disaster risk reduction, or the adaptation of business models and operations to changing climate conditions;
- **Environmental conservation & restoration**, encompassing ecosystem-services management, biodiversity protection, advocacy, and the development of sustainable and regenerative business models;
- **Climate change mitigation**, through innovations such as low-emission technologies and materials, process efficiency, energy savings, or sustainable agricultural practices.

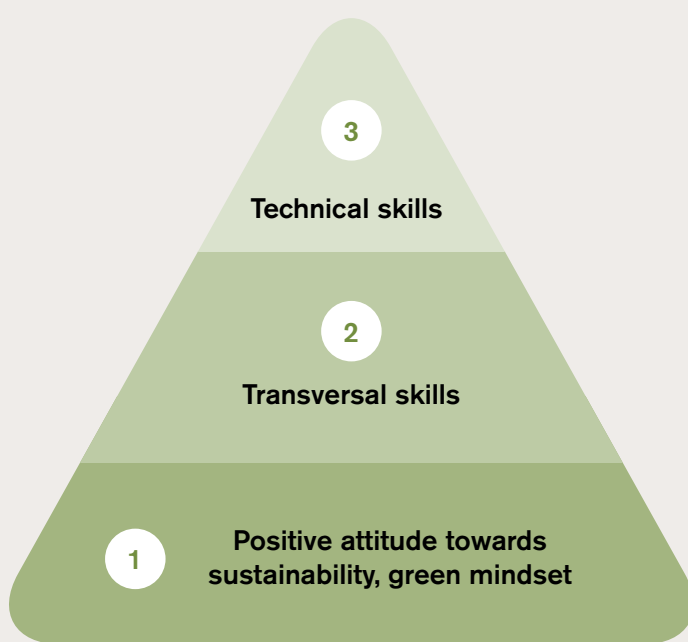
Recognizing that most new green jobs emerge from the transformation of existing sectors rather than entirely new ones, we consider a job or skill **“green or greener”** if a significant portion of its function contributes to one or more of those outcomes.

Looking specifically at **green jobs**, the International Labour Organization (ILO) and the United Nations Environment Programme (UNEP) provide foundational definitions, typically describing them as roles that contribute to environmental sustainability. These definitions offer a useful starting point for framing the concept, particularly in policy and academic contexts. However, for practitioners and decision-makers, a more operational and outcome-oriented definition is needed—one that goes beyond job titles and sectors to consider the environmental impact of the economic activities in which these jobs are embedded. Most occupations exist along a spectrum of environmental impact from “do-no harm” to actually doing “good”, and their contribution to climate change adaptation and mitigation, as well as to environmental conservation, depends on systemic factors such as production processes, material choices, and regulatory frameworks.

Similarly, the term **green skills** is widely used, but it can be misleading, since skills themselves are not inherently green — it is the context in which they are applied that determines their relevance to the green economy. Therefore, we consider green skills as those that enable workers to contribute to mitigation, adaptation and conservation outcomes even if the skill itself is not green per se (e.g., finance or marketing skills).

Swisscontact aligns with the unified definition developed by the Inter-Agency Working Group on Work-Based Learning³, which categorizes green skills into **technical skills**—those specific to green technologies, processes, and occupations—and **transversal skills**, such as problem-solving, adaptability, and systems thinking, which are essential across all sectors to support sustainable practices. At Swisscontact, we understand however that there is yet another underlying level that includes a **Green Mindset** - a values-based orientation toward sustainability and environmental responsibility -, as suggested by Pavlova, 2017⁴.

This pyramid reflects Swisscontact's understanding of green skills, highlighting that a green mindset and transversal skills are essential foundations. Technical skills alone are not sufficient without these broader competencies to support a meaningful green transition. The pyramid also illustrates distribution: while few roles require highly specific technical skills, a much wider share of the workforce needs strong transversal capacities and knowledge to form a green mindset.



Source: Own visualization based on The Inter-Agency Working Group on Work-Based Learning & Pavlova (2017).

3. Technical Skills

At the top of the pyramid are occupation specific skills. These skills are tailored to new and existing occupations that enhance their adaptation, mitigation, or environmental impact.

2. Transversal Skills

Transversal skills are applicable across various fields and support the green economy transition & empower employees to adopt more sustainable practices in their tasks. These skills include business and financial skills as well as critical thinking, relationship building and adaptability.

1. Green Mindset

Knowledge and a positive attitude on climate change and sustainability lays the foundation for a green mindset. It ensures the topic receives the necessary attention in the workplace.

³ The Inter-Agency Working Group on Work-Based Learning is a collaborative initiative composed of several international organizations, including the European Commission, OECD, Cedefop, ILO, ETF, and UNESCO.

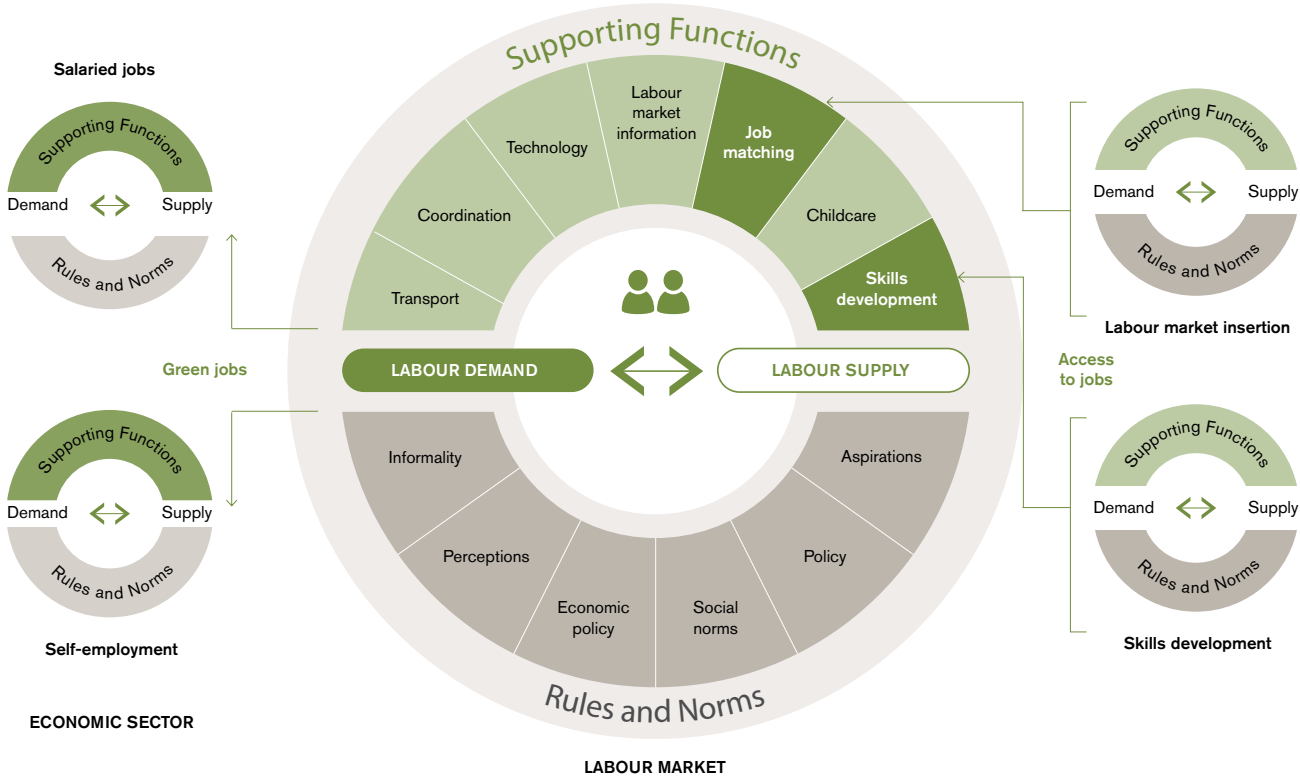
⁴ Pavlova, Margarita. (2017). Green Skills as the Agenda for the Competence Movement in Vocational and Professional Education. 10.1007/978-3-319-41713-4_43.

A systems perspective to green skills and jobs: Aligning skills with labour market realities

While defining green skills and jobs is a critical first step, advancing the green transition requires more than just training individuals or facilitating sector transformation—it demands a **systemic perspective**. This is true for any skills development initiative, but it becomes especially crucial in the context of the green transition, where labour market dynamics are rapidly evolving. What works today may not work tomorrow. Without anticipating these shifts, there’s a real risk of investing in training that doesn’t align with future job opportunities—leading to skill mismatches and underemployment.

A systemic approach begins with a clear understanding of the current workforce composition and the evolving demands of the green economy. This includes identifying where green job opportunities already exist, where they are likely to emerge, and where targeted economic stimulation may be needed to create new ones. However, skills and job availability alone do not determine labour market outcomes.

The diagram below illustrates how labour market outcomes are shaped by a broader set of supporting functions and rules. These include infrastructure, coordination mechanisms, labour market information systems, and social norms, all of which influence both labour demand and supply. **Adopting a systemic perspective is crucial to moving beyond isolated economic development, skills development or labor market insertion systems.** This perspective not only highlights the need for interconnectedness, but also offers concrete pathways of action based on the employment outcome, being access to green jobs, green job creation or greened jobs. It also shows how aligning efforts across sectors, institutions, and enabling environments, translates into meaningful employment opportunities.



Source: Own illustration adapted from: DCED (2022). A rough guide to the MSD approach for youth employment in sub-Saharan Africa.

Project experience: Unlocking green jobs in Ghana's renewable energy sector

Swisscontact's green jobs assessment in Ghana's renewable energy sector revealed a key challenge: although solar engineers are trained with advanced technical skills, the local market cannot yet absorb them. The solar sector remains small due to cheaper fossil fuel-based electricity, high import taxes on solar equipment, limited local manufacturing capacity, and a lingering perception that solar is unreliable and costly.

To address this, Swisscontact is working to strengthen both the demand and ecosystem for solar energy. This includes supporting local production, enhancing engineers' transversal skills—such as conducting energy assessments and calculating financial returns—and linking them to government electrification projects in underserved areas. Swisscontact also engages in policy dialogue to advocate for reduced import taxes and the implementation of net metering, while running awareness campaigns to improve public perception of solar energy.

Key insight: A systems perspective is essential to avoid mismatches between workforce skills and market demand. At the same time, transversal skills and adaptive mindsets are key.

Swisscontact's offers for partners in the green transition

We support in understanding labour market dynamics by:

- Conducting green skills and labour market assessments to identify sectoral transformation, workforce implications, and real skills and jobs demand.
- Identifying opportunities and entry points where national strategies and policies align with market opportunities.
- Mapping informal and formal employment dynamics to understand barriers to access and opportunities for inclusion.
- Applying a systems perspective by anchoring change in local systems to ensure long-term impact and scalability beyond individual projects.

We support unlocking employment in the green transition by:

- Identifying green potential in transforming sectors and co-creating market driven sustainable solutions.
- Supporting enterprise development in green markets to create more green jobs.
- Promoting inclusive pathways to green employment by supporting reskilling and upskilling efforts that enable marginalized groups to access new roles.
- Contributing to decent work by promoting safe, fair, and productive employment, particularly in contexts marked by informality and limited access.

We support in building competencies for the green transition by:

- Strengthening competencies for the green transition by prioritizing the development of green mindsets and transversal skills—recognizing that meaningful change requires more than technical expertise alone.
- Engaging with local actors, especially the private sector, to co-design curricula that are match with labour market realities.

Swisscontact's value proposition: Enabling an inclusive green transition through systemic green skills and jobs development

Swisscontact's contribution to green skills and jobs is rooted in **practical experience, critical thinking, and a strong commitment to continuous learning**. Our value proposition emphasizes the development of green skills that are aligned with real labour market needs and adaptable across sectors. We recognize that fostering green employment is complex, highly context-specific, and often gradual. Our approach is rooted in the understanding that the most significant employment impacts of the green transition will not come from entirely new sectors, but from the transformation of existing ones. Therefore, our focus is on creating the conditions for resilient, inclusive, and sustainable livelihoods—especially in sectors being transformed by the green transition.

Our approach is systemic and grounded in labour market realities. We begin by understanding how economies are evolving, where green job opportunities are emerging, and how structural shifts affect workforce demand. We recognize that skills alone do not determine employment outcomes—economic opportunity, access, and inclusion are equally critical.

Furthermore, we recognize that meaningful change begins with people and businesses seeing the value in sustainability. That's why we focus on fostering a mindset that embraces environmental responsibility, followed by the development of transversal skills that can be applied across sectors. All too often only technical skills are developed without addressing the underlying attitudes or broader capabilities needed to adapt and thrive in a changing economy.

We work to ensure that the jobs supported through our interventions meet our definition of **decent work**: adequate earnings and productive employment, a safe working environment, and equal opportunity and treatment—free from discrimination, harassment, and abuse. By engaging with local ecosystems, supporting both formal and informal economies, and embedding sustainability into vocational training and enterprise development, we aim to contribute meaningfully to an inclusive green transition that leaves no one behind.

At Swisscontact, we approach the green transition with openness, critical reflection, and adaptability. We do not claim to have all the answers—but we are actively engaging with the evolving implications of the green economy for skills development and employment. Our commitment is grounded in the belief that there is significant untapped potential to foster inclusive, sustainable, and decent work through targeted, evidence-based interventions.

We see this as a moment to redefine our role—not only as implementers, but as thought partners and innovators in the space of green skills and jobs. Our ambitious targets reflect this conviction and guide our efforts to contribute meaningfully to an inclusive green transition.

How we work: Principles that guide our value proposition

1. Evidence-based adaptive management

We apply an evidence-based adaptive management approach to guide our work. This means we:

- Continuously reflect, learn, and adjust based on what works and what doesn't.
- Use data and feedback to steer our interventions and ensure accountability.
- Share insights across teams and with partners to build collective knowledge.

This approach is especially important in the green transition, where labour market dynamics are evolving rapidly, and where opportunities often emerge unexpectedly. For example, in Lebanon, we observed a shift in construction sector demand toward greener products — driven not by policy, but by energy system failures. This example shows how being present, observant, and flexible allows us to respond to real-time opportunities.

2. A Learning Culture

At Swisscontact, we believe that “learning is work” and “work is learning.” We foster a culture where teams are encouraged to:

Question assumptions and test new ideas, share learning from both successes and failures and stay curious and open to change.

This mindset is essential not only in the green transition, but across all areas of our work—because there are no one-size-fits-all solutions. For example, we are learning that green skills are not always the main constraint to sustainable employment. Sometimes, the real barriers lie in how services are designed and delivered, or in how local governments plan for climate adaptation. These insights help us refine our strategies and avoid supply-driven interventions that lack real demand.

Project experience: Adapting when the snow stops falling

Kosovo's mountain tourism businesses faced an existential threat when winters increasingly arrived without snow. Because the project Promoting Private Sector Employment (PPSE) project had worked in the tourism sector for over a decade, it was uniquely positioned to support rapid adaptation. Rather than imposing pre-determined "green" solutions, the project followed market signals and business incentives.

The evidence was clear: ski-dependent businesses were already pivoting to mountain biking and hiking. Some had started investing in solar panels to reduce operating costs. PPSE amplified these organic adaptations through co-financing equipment transitions, bringing international expertise on sustainable tourism, and helping introduce accommodation taxes to fund ongoing sustainability initiatives.

The result? Tourism persisted despite climate challenges, with businesses now offering year-round activities. The project's long-term presence enabled it to sense early changes and respond with strategic resources—demonstrating how evidence-based adaptation beats theoretical climate interventions.

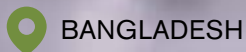
Key insight: Businesses adapt to climate change when economic necessity is clear; successful facilitation amplifies market-driven solutions rather than imposing them.

3. Anchoring change in local systems

We attach great importance to anchoring solutions in local systems to ensure long-term impact at scale. This implies that we:

- insist that the changes we promote meet the needs of local actors and are consistent with local priorities.
- facilitate cooperation among the various private and public local actors involved.
- empower local actors to drive the transition process forward by building their capacities and strengthening their incentives.

We don't just train people—we work to understand and influence the wider system that shapes employment. This includes how supporting functions, rules and norms affect both the demand for green jobs and the ability of people to access them. By working through local actors and institutions, we help ensure that change is relevant, scalable, and sustained beyond individual projects.



Project experience: Building Bangladesh's green consulting ecosystem

When Bangladesh's garment factories faced mounting ESG requirements from international buyers, the message was blunt: "comply or lose your market." But international consultants charged prohibitive fees, creating a critical gap. The project Promoting Green Growth in the Ready-Made Garments Sector (PROGRESS) saw an opportunity to develop local ESG consulting capacity—creating green jobs while serving industry needs.

The learning challenge was complex. Technical knowledge alone wouldn't create effective consultants; they needed mentorship, business skills, and credibility. PROGRESS partnered local consultants with international firms for hands-on learning, created working groups mixing experts from associations, brands and factories, and supported development of practical services from carbon accounting to sustainability reporting.

Critical learning: Start with the "stick" (compliance threats) rather than abstract benefits and frame any environmental improvements in business terms. PROGRESS worked on two levels simultaneously: strategic market development and operational skills. Early results show 63% of target factories adopting standards, with local consultants establishing viable businesses as cost-effective alternatives to international firms.

Key insight: Effective green skills development requires embedding learning in real market contexts, not just classroom training.

4. Working with the Private Sector

We believe that a strong private sector is key to sustainable job creation. That's why we:

- Co-create solutions with businesses to ensure relevance, ownership, and alignment with real labour market needs.
- Support market actors to adopt greener practices and invest in workforce development.
- Identify and build on incentives of the market actors to ensure long-term impact and scalability beyond individual projects.

We are cautious not to overstate the job creation potential of short-term projects. Creating a waged job—let alone one that is green and decent—is a significant achievement, particularly in contexts marked by high informality, limited market absorption, and systemic barriers to decent work. Our focus is not just on the number of jobs, but on the quality of employment: jobs that offer adequate earnings, safe working conditions, and equal opportunity.

While we may not have large-scale green job creation projects today, we are building an explorative portfolio that helps us understand what works, under what conditions, and for whom. This learning is valuable and positions us at the cutting edge of green employment programming.

Project experience: From waste to business: Bolivia's recycling revolution

Bolivia's Markets for Recycling project (M4R) transformed scattered waste collection into structured green businesses by working with market incentives. Rather than pushing environmental messages, M4R helped businesses see profit in processing end-of-life tyres, scrap metal, and batteries.

The systems approach was key. Instead of direct support to individual recyclers, M4R worked through chambers of commerce to strengthen the entire ecosystem. Green businesses like Cademet evolved from basic scrap collection to sophisticated operations. One entrepreneur, Shirley Rosio Jaillita, increased her income by 25% after receiving training in business planning and digital marketing through the project.

Private sector engagement succeeded because M4R addressed immediate business needs: access to finance, operational management, and market linkages. Tyres previously abandoned in streets now supply a growing market for synthetic turf maintenance. Scrap metal collectors are joining forces to meet international demand. The environmental benefits—reduced waste and emissions—emerged from pursuing economic opportunities.

Key insight: Sustainable private sector engagement in green transitions happens when environmental goals align with business profitability, not through advocacy alone.



5. Critical Thinking and Honest Assessment

We approach green skills and jobs with clarity and critical thinking. Before engaging, we ask:

- Does the sector truly have potential for green job creation?
- Are skills — and specifically green skills — a real constraint?
- Are there incentives and systems in place to absorb trained workers?

If the answer is no, we don't push supply-driven solutions just because they're popular with donors. Instead, we advocate for principled engagement, grounded in labour market realities and systemic thinking.

 LAOS, MOZAMBIQUE

Project experience: When green isn't gold: the reality check

In Mozambique and Laos, systematic green skills assessments revealed a stark truth: severe climate impacts don't automatically create green jobs accessible to vulnerable youth. Despite Mozambique's devastating cyclones and Laos's impressive National Green Growth Strategy, both assessments found minimal demand for green skills in sectors where disadvantaged youth could find employment.

The brave decision? Rather than force-fit green training programs to meet donor targets, both projects opted mainly for integrating basic environmental awareness into existing curricula while monitoring for genuine market demand. As the assessments demonstrated, training people for jobs that don't exist wastes resources and creates false hope. The lesson: rigorous demand analysis and the courage to say "not yet" serves target groups and climate goals better than creating impressive statistics for donor reports.

Key insight: Real climate impact comes from people doing green jobs, not from people trained for green jobs that don't exist.

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