

## **Round table on “Just Transition”**

**7<sup>th</sup> November 2022**

A just transition for communities as the world’s economy responds to climate change was one of the key elements recognized in the Paris Agreement. Different regions, countries, as well as different communities are asymmetrically exposed to the physical impacts of climate change and the socioeconomic consequences of mitigation and adaptation policies and the wider transition to a low emissions and climate resilience economic model (on security of water, food, energy, housing, job, as well as health and wellbeing). Ensuring that communities find secure pathways in these sectoral redeployments and ensure social and economic development goals are achieved are key elements of a successful just transition.

A just transition means ensuring that global and local climate action protects the planet, people and the economy. That is why key principles such as the just transition are central in the UNFCCC process: responses to climate change should be integrated with sustainable social and economic development, recognizing the specific needs of developing countries that are particularly vulnerable to the adverse effects of climate change.

It is vital to ensure a managed and just transition to an economic model based on low-emission and climate-resilient development, based on the agreed principles in the UNFCCC and the Paris Agreement. This transition needs to be managed in a manner which ensures the needed shift to and the quick phasing-in of low-emission technologies and phasing-down of high-emission ones, while ensuring that it meets the needs of all communities impacted.

### **Prior achievements:**

- At COP24 in Katowice, UNFCCC Parties signed the **Solidarity and Just Transition Silesia Declaration**, calling for more progress on addressing the vulnerability of labor markets in carbon-intensive sectors facing transition risks.
- At COP25, the **UNFCCC Gender Action plan** was adopted, whereby parties have recognized the importance of involving women and men equally in the development and implementation of national climate policies that are gender-responsive.
- Last year, at COP26, more than 30 nations signed the **Glasgow Just Transition Declaration**, reemphasizing the need to ensure that no worker or community is left behind.

- Beyond UNFCCC, a number of organizations have been addressing the concept of just transition. ILO has been actively contributing to framing and raising awareness on just transition, developing practical orientations for governments and social partners in the **2015 ILO guidelines** on how to formulate, implement and monitor a policy framework for just transition: recommendations include paying special attention to industries, regions, workers and communities most negatively affected, anticipating skills needs, assessing health and safety risks and ensuring social protection in the transition (e.g. workers' health care and pensions). In 2019, the ILO and the UN Climate Action Summit launched the **Climate Action for Jobs initiative** to build a roadmap placing people's jobs and well-being at the center of the transition.
- Specifically on Energy, COP26 saw the introduction of the **Just Energy Transition Partnerships (JETPs)** model, with the launch of an \$8.5bn partnership by the US, UK, France, Germany and EU to help fund an "equitable, inclusive energy transition" in South Africa. Similar partnerships have been in development since then, with programs for India, Indonesia, Vietnam and Senegal announced at the 2022 G7 Summit. In February 2022, the launch of a collective initiative to design new JETPs in Africa was also announced at the EU–Africa summit. The countries suggested for JETPs as part of the Africa–EU Green Energy Initiative, in addition to Senegal, are Egypt, Côte d'Ivoire, Kenya and Morocco, according to an announcement by the French presidency of the EU<sup>1</sup>.
- A number of governments, business, trade unions and civil society actors have also led the way in shaping just transition solutions. Examples: in 2015, South Africa incorporated principles of an inclusive and just transition in its **NDC**; Canada launched the **Taskforce on the Just Transition for Canadian Coal-Power Workers and Communities** in 2018; in Italy, Enel and its union partners developed a just transition framework agreement focusing on fair labor practices, retraining and redeployment; in Europe, the **Just Transition Mechanism** is a key chapter of the EU Green Deal, providing targeted support to help mobilize around €55 billion over 2021-2027 in the most affected regions, to alleviate the socioeconomic impacts of the transition.

### Goal:

- **Integrate** just transition principles across all sectoral transition plans (food & water security, energy access, housing, transportation, health, etc.): as several countries have already done, just transition guidelines and principles could be included within NDCs.

<sup>1</sup> G7 - G20 Track 2 Dialogue (2022) - [Implementation of the Just Energy Transition Partnership in South Africa](#)

- **Establish policy dialogue platforms (e.g. National Just Transition Commissions or platforms)** where policymakers, business leaders and financial authorities can engage in **social dialogue** with all stakeholders to develop climate policies in a participatory process: direct workers (e.g. those at a particular facility), indirect workers (e.g. those in the supply chain), communities who currently depend on fossil fuel industry, communities in other countries that depend on fossil fuel consumption, and “fenceline communities” (in adjacent areas but exposed to negative burdens), including all gender, age and minority groups.
- **Focus on protecting communities at three levels when defining national and international policies:**
  - At the citizen level, **most vulnerable individuals** should be protected during the transition: workers at risk of losing their job should be provided adapted social safety nets and facilitated access to **employment opportunities in new sectors through re-skilling programs**; disadvantaged communities should receive financial support for **energy-efficient housing** and access to **clean, affordable and secure energy**.
  - At the **sector** level, **carbon-intensive and adjacent industries** should be supported on their transition to low-carbon technologies with fiscal policy that create **attractive conditions for public and private investors**, easier **access to loans and financial support** and favorable ecosystems to launch new firms, SMEs start-ups and invest into research and innovation activities.
  - At the country or region level, geographies with high dependence on fossil fuel consumption and/or production or high vulnerability to the impacts of climate change should be provided financial and technical assistance (e.g. affordable loans to local public authorities) to invest in **low-carbon and resilient energy infrastructure and industries**, develop **public and sustainable transportation networks** and create new jobs in the green economy.
- **Ensure consistent finance from international and national organizations** as well as private investors, enabling a connection between climate action, inclusive growth and sustainable development. The **private sector** provides particular opportunities, including its role in mobilizing investment, undertaking research and development, connecting global supply chains and contributing to skills development. For example, cross-supply chain agreements or MoUs with union partners can be established for private sector companies to ensure re-skilling and re-hiring of employees who lost their jobs in declining carbon-intensive activities.

## Guiding questions for the roundtable:

The Just Transition roundtable aims at fostering dialogue between developing nations, contributing countries, UN entities, financial institutions, private sector and philanthropies:

- **Overarching question:**
  1. How can transition policies factor social and economic development into the planning and implementing phases of climate projects that have social impacts (e.g. energy and transport infrastructure development, fossil fuels transition measures)?
  
- **For developed or developing countries with large workforces in carbon-intensive industries (e.g. coal or oil & gas producing and exporting countries):**
  1. What measures have you put in place to ensure a just transition for workforces involved in sectors facing climate transition risks?
  2. Which best practices and success stories can you showcase from existing programs?
  
- **For developing countries that are highly dependent on fossil fuel consumption:**
  1. What support is needed to ensure that the shift away from fossil fuels does not hinder the socioeconomic development of all communities in your country (e.g. technical assistance, experience sharing between countries with similar challenges, transition finance, etc.)?
  
- **For developed countries:**
  1. What funding requirements and criteria, if any, have you put in place to consider the social and economic aspects of the climate-related transition plans that receive your support?
  2. How to make finance and technology solutions that meet the special needs of a just transition in developing countries more accessible to them?
  
- **For financial institutions and philanthropies:**
  1. What enablers are you looking for to unlock more funding for just transition programs in countries most exposed to transition risks? (e.g. quality and transparent programs, efficacy monitoring tools, blended finance partnerships, etc.)
  
- **For private sector companies:**
  1. What partnerships can you put in place (with workers' unions, public sector, academia, NGOs, supply chain actors or companies from adjacent sectors) to facilitate a just transition for your employees?