

## **Just Transition**

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*This advice is provided in response to **Query 80/22***

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### **Query**

1. What are the different interpretations of “just transition” and in which context do they arise?
2. What are the possible entry points for this issue to be discussed in the UNFCCC process?

### **Advice**

#### **1. Defining a just transition**

For the International Labour Organisation (ILO) ‘just transition’ means greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. In the climate context, it involves maximizing the social and economic opportunities of climate action, while minimizing and carefully managing any challenges – including through effective social dialogue among all groups impacted, and respect for fundamental labour principles and rights.<sup>1</sup>

Following a request by the the UNFCCC subsidiary bodies (for scientific and technological advice and for implementation), the UNFCCC secretariat published a technical paper on a just transition of the workforce, and the creation of decent work and quality jobs in April 2020. The paper builds on the ILO understanding and highlights the positive and negative impacts on employment a global transition towards a low-carbon and sustainable economy will have. The transition towards an inclusive green economy must be fair, maximizing opportunities for economic prosperity, social justice, rights and social protection for all.<sup>2</sup>

The European Bank for Reconstruction and Development (EBRD), the Organisation for Economic Co-operation and Development (OECD), many trade unions and employers’ organisations use broadly the same narratives: While shifts away from carbon-intensive production and consumption towards renewable energy sources are expected to generate net gains in employment, people will lose their jobs and livelihoods. A just transition, therefore, seeks to ensure that the substantial benefits of a

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<sup>1</sup> The ILO has developed seven principles for just transitions that are widely cited in the literature on just transition. They were adopted at a Tripartite Meeting of Experts on Sustainable Development, Decent Work and Green Jobs in Geneva, contained in document ILO GB.325/POL/3, October 2015.

<sup>2</sup> Available at: <https://unfccc.int/sites/default/files/resource/Just%20transition.pdf>.

green economy transition are shared widely, while also supporting those who stand to lose economically – be they countries, regions, industries, communities, workers or consumers.

This perception of ‘just transition’ is, however, heavily influenced by the political discourse in the Global North which focuses on climate change mitigation with an emphasis on energy and cutting-edge technologies. To a large extent is based on the particular energy mix of industrialized countries, their labour market structures, policy frameworks and the capacity for activities and skills required in a future, greener economy.

These priorities do not always correspond to the demands and realities of developing countries. For many low or middle-income developing countries basic access to energy and other vital services is still a development priority and their source and origin a secondary concern. As part of their just transition to a greener economy many will have to use traditional sources of energy before they can switch to renewables. In this context a just transition may be better described as socio-economic changes that are implemented in a way that addresses existing disparities and avoids creating new ones.<sup>3</sup>

The global distribution of new employment in renewable energy is also heavily skewed. According to the International Renewable Energy Agency (IRENA), of the 12.7 million jobs in renewable energy worldwide in 2021, close to two-thirds of all jobs are in Asia with China alone accounting for 42% of the global total.<sup>4</sup> While some of the early industrialized countries promote progressive climate policies and a greener national economy, they remain importers of cheap fossil fuel from developing countries where the local population suffers from the related social and environmental impacts.

As a result, some campaigning and advocacy organisation hold that a just transition needs to remedy current and past harm through reparation or other tools to create different industrial - or in general power - relationships for the future. Some fundamentally question the current market-based economic systems, promote new approaches to organise production and consumption cycles, or focus on just transition as a process that represent a host of strategies to enable communities to build thriving economies which create dignified, productive and ecologically sustainable livelihoods, and democratic decision-making processes as well as ecological resilience.<sup>5</sup>

## **2. UNFCCC entry point**

### **2.1 Entry points to date**

To date, the just transition has been addressed by the UNFCCC process in a number of ways. This includes the following:

A programme on the impact of the implementation of response measures was adopted at COP17, Durban, South Africa, 2011. Just transition was defined as one of eight key areas of work.

On 5 June 2013, an in-forum workshop was held in Bonn, Germany on the area of ‘just transition’ by the SBSTA and the SBI, attended by parties, international organisations and experts. It was held that developing countries faced challenges in implementing just transition on account of their relatively weaker institutions and large youth population. A series of specific actions were suggested at the workshop, including:

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<sup>3</sup> Adriana Abdenur, What does Just Transition mean for Middle Income Countries?, UN website at <https://www.un.org/en/climatechange/what-does-just-transition-mean-middle-income-countries>

<sup>4</sup> It is followed by the European Union and Brazil with 10% each, and the United States and India with 7% each.

<sup>5</sup> <https://climatejusticealliance.org/just-transition/>

- Encouraging social dialogue among all stakeholders;
- Developing skills and retraining for green jobs;
- Developing green enterprises;
- Promoting active labour policies;
- Providing social protection and minimizing hardship for workers;
- Introducing appropriate public policies to address the needs of workers;
- Consulting with all stakeholders to develop mechanisms for just transition;
- Ensuring a country-driven process; and
- Assessing response measures during their design and implementation phases in order to identify possible consequences for employment and economic growth in developing countries.

The Paris Agreement acknowledges the importance of ‘just transition’ in its preamble: “taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities”.

As part of COP21 (adopting the Paris Agreement) parties also agreed (in decision 11/CP.21) to improve the existing forum on the impact of the implementation of response measures. The work programme adopted at the meeting comprised two areas: Economic diversification and transformation; and “just transition of the workforce, and the creation of decent work and quality jobs”.

A revised 6-year work programme, adopted in Katowice in 2018 (decision 7/CMA.1, Annex) confirmed both areas as part of the Forum’s work under the Paris Agreement.<sup>6</sup> To date, this has led to consultations with parties and stakeholders, further technical papers as well as workshops on ‘just transition’.<sup>7</sup>

In connection with COP24 in Katowice, a ministerial declaration - “Solidarity and Just Transition Silesia Declaration”<sup>8</sup> – promoted by the Polish presidency of the conference was also adopted as part of the leaders’ summit. It, for example, stresses that a just transition of the workforce and the creation of decent work and quality jobs are crucial to ensure an effective and inclusive transition to low greenhouse gas emission and climate resilient development.

At the next climate conference (COP25 in Madrid in 2019) the UN and ILO launched their Climate Action for Jobs Initiative - designed to support countries in implementing their national climate action commitments, while ensuring that jobs, well-being and a just transition remain at the heart of climate responses.<sup>9</sup>

In Glasgow in 2021 (COP26) industrialized countries (e.g. US, Canada and EU) signed the ‘Just Transition Declaration’ committing them to strategies that ensure that workers, businesses and

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<sup>6</sup> Two other areas, assessing and analysing the impacts of the implementation of response measures, and facilitating the development of tools and methodologies to assess the impacts of the implementation of response measures, were added.

<sup>7</sup> See for example: The annual report of the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures for 2021 and 2022 contained in document FCCC/SB/2022/6 or the list of workshops and events at: <https://unfccc.int/topics/mitigation/workstreams/response-measures/workshops-and-events>.

<sup>8</sup> Available at: <https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=134978&token=91237abd5b4e38c1e7c2e4364b2b8e7095d8e0fd>

<sup>9</sup> For further information see the initiative’s website at: <https://www.climateaction4jobs.org/>.

communities are supported as countries transition to greener economies.<sup>10</sup> It also states that the signatories “intend to support developing countries and emerging economies, social partners, and communities to diversify their economies away from dependence on carbon-intensive industries, and to transition to ambitious, clean, resilient growth and development pathways, while supporting increased ambition in their national sustainable development priorities”.

At the same conference (Glasgow 2021) the governments of South Africa, France, Germany, the UK, the US and the EU, forming the International Partners Group (IPG), announced a Just Energy Transition Partnership (JETP), whereby they would support South Africa on its just transition to decarbonisation.

As part of the intergovernmental negotiations under the UNFCCC during COP 26 in Glasgow, parties also adopted a decision on gender and climate (recommended by the SBI) which invited the ILO to prepare a technical paper exploring linkages between gender-responsive climate action and just transition for promoting inclusive opportunities for all in a low-emission economy.<sup>11</sup>

At the side lines of COP27 in Sharm El-Sheikh in November 2022, the Paris Committee on Capacity Building hosted a Just Transition & Sustainable Economies Day as part of its 4<sup>th</sup> Capacity Building Hub. The programme featured contributions on, for example, capacity-building, green skills or the future of work.<sup>12</sup>

Under the Paris Agreement, the parties also established a new work programme on just transition for discussion of pathways to achieving the goals of the Paris Agreement. The SBI and SBSTA were requested to recommend a draft decision on this matter to the next session of the CMA. As part of the work programme there will be an annual high-level ministerial round table on just transition beginning in 2023.<sup>13</sup>

## 2.2 Other possible entry points

As indicated above, just transition has been addressed under and in connection with the UNFCCC process in several ways, albeit generally based on the traditional green economy focused understanding of the concept. To further embed these discussions in the negotiation process the issue could also be raised in connection with the wider subject area of technology transfer and development under the Convention and Article 10 of the Paris Agreement.

At present, relevant agenda items (on technology transfer and development) include item 9 on the COP and CMA agendas, item 17 on the SBI agenda and item 11 on the SBSTA agenda. In addition, just transition could also be addressed as a matter relating to capacity building under the current item 19 of the SBI agenda or 10 under the COP and CMA agendas. The concept and its different dimensions could be further explored and analysed through reports, work programmes, expert hearings or a range of other processes.

In addition, the work programme on just transition adopted in Sharm El-Sheikh will provide an opportunity to not only discuss the matter but also to agree further procedural steps such as, for example, a permanent agenda item or institutional arrangements to support national efforts towards

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<sup>10</sup> Supporting the conditions for a just transition internationally, green growth, decent work, and economic prosperity in the transition to net zero, available at: <https://ukcop26.org/supporting-the-conditions-for-a-just-transition-internationally>.

<sup>11</sup> Decision 20/CP.26, Gender and climate change, contained in document FCCC/CP/2021/12/Add.2.

<sup>12</sup> For further information see: <https://unfccc.int/pccb/4CBHub/JTDay>.

<sup>13</sup> Decision 1/CMA.1 Sharm el-Sheikh Implementation Plan.

a more sustainable economy. While the CMA decision places the just transition concept in the mitigation ambition context it also references equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

Hence, if and to the extent parties wish to consider just transition in a wider sense of, for example, socio-economic changes that alleviate disparities they are not limited by the current pre-dominant understanding of the concept and can contribute their positions and new ideas to (all) future discussions. In addition, there are a number of other possible strategic entry points to focus more on the sustainable development priorities of developing countries and to highlight the importance of equity and fairness in defining different transition pathways:

As part of their Nationally Determined Contributions (NDCs) parties are, for example, required to indicate how their commitments are fair and ambitious in the light of their individual circumstances.<sup>14</sup> In this context, parties could outline their understanding of a just national and global transition, what they consider priorities for economic development and future implementation activities. A conditional mitigation contribution may specify the support required to achieve it.

Subsequently, in their reporting on progress made in the Biennial Transparency Reports,<sup>15</sup> parties could also highlight activities and achievements in what they perceive to be the national just transition context. The principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances allows parties to address very different national concerns as well as a wide range of climate change response measures.

As a result, the notion of just transition in a wider sense reflecting parties different sustainable development priorities, equity and fairness could be highlighted during future rounds of the global stocktake under Article 14 of the Paris Agreement. Despite the explicit mentioning of equity in para.1 of Article 14 there is little guidance on how the principle will be integrated into the process of determining the collective process of achieving the overall goals of the treaty. Increased access to (any) energy in some parts of the world, for example, would be offset against more ambitious energy savings in another.

Furthermore, the UNFCCC process increasingly recognizes not only the severe impacts of climate change on local communities and indigenous peoples but also their knowledge, practices and the leadership they can provide in responding to it. It established the Local Communities and Indigenous Peoples Platform (LCIPP) - largely operationalised through its Facilitative Working Group (FWG). They could be requested to consider and advise on the understanding and implementation of a just transition in a more holistic and integrated manner (than via current focus on energy and skills).

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<sup>14</sup> Paris Agreement, Article 4.8; decision 1/CP.21 para.27; and decision 4/CMA.1 on further guidance in relation to the mitigation section of decision 1/CP.21.

<sup>15</sup> Paris Agreement, Article 13.7 (b), and decision 18/CMA.1.