



# A just green transition: concepts and practice so far

Achieving the transition to an environmentally sustainable and climate-safe future is a matter of justice in itself-people in vulnerable situations, poor countries and future generations stand to suffer the most from climate change and environmental degradation - but how it is done also matters. A green transition is already taking place, creating jobs and economic opportunities, and its potential in the medium—and long-term is much greater. Inevitably, however, a transformation on the scale necessary to contain climate change also implies losses of jobs, livelihoods, and public and private revenues in many areas and not necessarily where the benefits will accrue most directly. It also entails changes in the way energy and food needs are met and land is used, generating other types of social and environmental challenges. Breaking the inertial high-carbon development paths requires strong political support worldwide and at all levels. Greening strategies that do not take into account the political economy of the transition and the economic and social well-being of affected communities are therefore likely to be politically fragile and vulnerable to stalemates and reversals. In this context, calls for a just transition have been increasingly prominent in global, national and subnational policy circles.

"The just transition concept has become an international focal point tying together social movements, trade unions, and other key stakeholders to ensure equity is better accounted for in low carbon transitions". IPCC report, 2022

The concept of just transition is not new (see Box 1) but it gained traction internationally particularly since 2015, when it was referred to in the Paris Agreement, the ILO published its Guidelines for a just transition towards environmentally sustainable economies and societies for all, and the 2030 Agenda for Sustainable Development was adopted, with the pledge of "leaving no one behind". Numerous international commitments have been made and strategies have been, or are in the process of being,

## **Key Messages**

- » Securing a low-carbon future is a matter of justice, as poor people and countries are the most affected by climate change. Ensuring no one is left behind in the transition is critical both as a matter of fairness and because failure to address social concerns can lead to stalemates and reversals in climate action.
- » As the concept of just transition gains ground, several countries have defined, or are in the process of defining, what a just transition means in their contexts. There is no blueprint for a just transition, which needs to reflect local realities and be based on stakeholder engagement, but there is an increasing body of experience from which to learn.
- A globally just transition requires international support for developing countries that takes into account their' realities, capacities, and priorities. Greening measures and strategies shouldn't push people in other countries behind.

developed. In 2021, just transition was a central theme at COP26. In 2022, ahead of COP27, the concept is addressed in the priorities of the United Nations Secretary-General, in the IPCC report on Mitigation of Climate Change, and in the Ministerial Declaration of the 2022 High-Level Political Forum. A number of countries have references to and commitments for just transitions in their Nationally Determined Contributions (NDCs).

## WHAT DOES JUST TRANSITION MEAN?

Definitions differ, and there is widespread recognition of the importance of context-specific analysis and strategies, but just transition refers generally to strategies, policies or measures to ensure no one is left behind or pushed behind in the transition to low-carbon and environmentally sustainable economies and societies (the term has also been used in relation to other types of transitions, such as the transition to a digital economy, for example in the Global Accelerator on Jobs and Social Protection for Just Transitions launched by the UN Secretary-General in 2021).

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#### Box 1

## "Just transition" timeline

- 1990s: unionists and activists in the United States call for mechanisms to address job losses related to new environmental regulations; the Just Transition Alliance is formed, bringing together unionists and environmentalists
- 2000s: international trade union coalitions bring the concept into international debates, including COP15 (Copenhagen) in 2009
- 2011: COP17 (Durban); South Africa begins discussions on a just transition
- 2015: ILO Guidelines, 2030 Agenda, Just Transition included in Paris Agreement
- 2018: Solidarity and Just Transition Silesia Declaration signed by 50 countries at COP24
- 2019: UN Climate Action Summit, 46 nations committed to developing just transitions strategies
- 2021: Just transition prominent at COP26 (Glasgow). Just Transition Declaration – Supporting the conditions for a just transition internationally signed by a group of developed countries. Global Accelerator on Jobs and Social Protection for Just Transitions launched and €8.5 billion support for South Africa's just transition committed by EU, US, UK, Germany and France
- 2022: References in IPCC report, HLPF, Secretarygeneral's priorities

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Just Transition Research Collaborative (2018), "Mapping Just Transition(s) to a Low-Carbon World". report-jtrc-2018.pdf (unrisd.org)

Labor Network for Sustainability and Strategic Practice: Grassroots Policy Project, "Just transition" – Just What Is It? An Analysis of Language, Strategies and Projects. Just\_Transition\_Just\_What\_Is\_It.pdf (labor4sustainability.org)

The origins of the concept lie in trade union activism, and the original emphasis was on addressing the loss of jobs resulting from the implementation of environmental regulations and policy. This remains a central element, but as more countries and a broader range of stakeholders have been engaged in understanding the challenges at hand and developing strategies for specific contexts, the definition of what a just transition consists of has expanded. When the ILO published its Guidelines in 2015, it defined just transition as "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". The principles in its Guidelines refer, among others, to the need for social dialogue; respect, promotion and realization of rights at work; policies that address gender dimensions and promote the creation of decent jobs and provide social protection and skills development; and international cooperation. Approaches have varied in terms of how and to what extent they incorporate different dimensions of justice considered (distributive, procedural, and/or restorative (Newell and Mulvaney, 2013; Presidential Climate Commission, South Africa, 2022). They also vary in terms of the degree to which a green transition would

be transformative in terms of justice or equity: from a status quo approach whereby job losses are compensated for, to approaches that imply a deeper transformation of political and economic systems, or that consider the shift to a low carbon future an opportunity to correct historical inequities or injustices (Just Transition Research Collaborative, 2018).

## **AND IN PRACTICE?**

Policies for a just transition have included strategies to support workers and communities in specific areas, such as the state of Colorado in the United States, or the province of Alberta in Canada; sectoral policies at national level such as Chile's Strategy for a Just Energy Transition; and cross-cutting national frameworks, such as the recently launched Just Transition Framework in South Africa (see *Table 1* for examples). At the regional level, the EU's Just Transition Mechanism includes funding and technical support to EU member states to "ensure that the transition towards a climate-neutral economy happens in a fair way". There have also been corporate just transition strategies, though a review of action in the oil and gas, electricity and automotive manufacturing industries concluded that action has been limited so far (World Benchmarking Alliance, 2021).

Consistent with the original concept, the main focus of many just transition policies has been to support workers and communities affected by the phasing out of polluting activities (frequently but not exclusively coal mining and coal-based energy plants) through temporary financial support and early retirement, employment services, training, business incentives, and support to small and medium enterprises (SMEs) (Krawchenko and Gordon, 2022). Securing diversification of economic activity in affected areas is an important component of strategies towards a just transition. It is also among the most complex and longstanding challenges, especially in developing countries (see, for example, CSIS and CIF, 2021 on the coal-dependent regions of Mpumalanga in South Africa and Jharkhand in India).

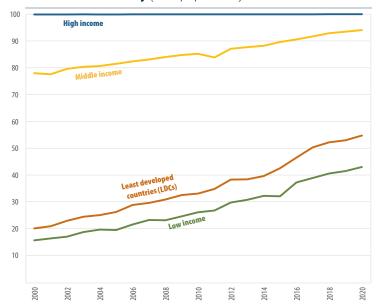
Reflecting a broader concept of just transition, South Africa's Framework for a Just Transition includes a commitment to restorative justice, which comprises "remedying past harms by building on, and enhancing, existing mechanisms such as equitable access to environmental resources, land redistribution and Broad-based Black Economic Empowerment" and addressing energy poverty.¹ Other countries have reported on efforts to ensure that job creation in new (green) sectors is more equitable. For example, Antigua and Barbuda reports in its NDCs on efforts to ensure greater opportunities for women as they implement their Green Climate Fund (GCF) programme.

Most of the discussion on just transition focuses on the move away from fossil fuels or other greenhouse-gas-generating activities such as practices that lead to deforestation, but the alternatives (the activities that are being "transitioned in") and measures taken to adapt to climate change can also have social and environmental

1 On the concept of energy poverty, see "Ending energy poverty saves lives and the planet", interview with Damilola Ogunbiyi, Special Representative of the UN Secretary-General for Sustainable Energy for All, 2021. Available at <a href="https://www.un.org/en/climatechange/damilola-ogunbiyi-ending-energy-poverty">https://www.un.org/en/climatechange/damilola-ogunbiyi-ending-energy-poverty</a>.

Figure 1

Access to electricity (% of population)



Source: World Development Indicators Database, World Bank

impacts for which just transition frameworks are as relevant (Atteridge and Remling, 2017; Atteridge et al., 2022; Institute for Human Rights and Business, 2021). Failure to identify and address environmental and social impacts of large-scale hydropower plants, for example, have generated conflict and in some cases proven ultimately unfeasible.

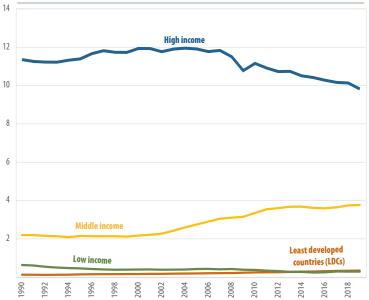
Effective stakeholder engagement is broadly recognized as a core element of a just transition, both as a matter of procedural justice (fairness in decision-making) and as a means to identify the impacts that need to be addressed and feasible solutions. Reviews of experiences so far (Krawchenko and Gordon, 2021; Atteridge et al., 2022; WRI) highlight positive experiences but also shortcomings such as consultation processes that begin late in the game, are just pro forma, do not take into account local realities in terms of literacy, digital access and other elements, or face challenging political contexts.

There is no blueprint for a just transition, but the growing body of experience can provide important references for the development of context-appropriate processes, strategies and solutions.

### A GLOBALLY JUST TRANSITION

While securing just transitions is a challenge for countries at all stages of development, developing countries face distinctive difficulties. Abdenur (2022) identifies factors that define the context for a just transition in middle-income countries (MICs). Relative to high-income countries, MICs face high poverty rates; informality; young populations and high dependency ratios; reliance on single commodities; distinct ecological and climate challenges; limited access to capital; and limited institutional capacity, among others. These characteristics apply in even greater measure to low-income countries, where policymakers face particularly limited fiscal resources compared to pressing social demands (including the need to expand access to electricity—see *Figure 1*—and invest in

Figure 2 **CO2 emissions** (metric tons per capita)



Source: World Development Indicators Database, World Bank

adaptation and climate resilience) while having marginal contributions to global emissions (*Figure 2*). Many developing countries also face significant challenges in terms of their productive capacities and their ability to diversify economic activity. Several, including a number of least developed countries (LDCs), rely on fossil fuels as an important source of energy and fiscal revenue, and some are just starting to reap the benefits of investments in their reserves.

The concept of just transition cannot be dissociated from global climate justice and the principle of common but differentiated responsibilities. In addition to the fulfillment of climate action and climate financing commitments, a globally just transition requires support for developing countries' transition paths (including just transition strategies) in ways that take their realities in terms of capacities and needs into account (see Walsh et al., 2022 for one perspective on what this could mean for Africa). It also requires that countries consider and address the impacts of their own greening strategies on other countries, avoiding the creation of trade barriers and the exclusion of developing countries from opportunities in nascent value chains (CDP, 2022).

- South Africa began discussions on a cross-cutting just transition strategy in 2011 and included a chapter in its National Development Plan in 2012. This was followed by social dialogue, vulnerability assessments and engagement over specific contentious issues (WRI). International support was pledged to South Africa's just transition strategy at COP26. The Just Transition Framework for South Africa was published in mid-2022, identifying principles for a just transition, at-risk sectors and value chains (trade/environment; coal; automobiles; agriculture; tourism) and key policy areas (human resource and skills development; industrial development, diversification and innovation; social protection) as well as governance and financing requirements and solutions (WRI, government website).
- Chile updated its NDC in 2020 to include a social pillar focused on just transition, which would create synergies between climate action and the SDGs. The Strategy for a Just Energy Transition, published in December 2021, together with the plan for the phasing out of coal-fired power plants includes a commitment to identify, in each affected area, the people at risk of being pushed into poverty due to closures in order to target support programmes and mitigate negative impacts for the most vulnerable. In the course of its elaboration, the draft policy was submitted to review under criteria established by an inter-ministerial group to ensure the integration of gender in climate policy (WRI; NDC Registry; government website).
- The Republic of Korea's Carbon Neutrality Act (2021) requires the Government to address "inequality that could arise in the societal transition to carbon neutrality" and provides for support to populations vulnerable to both climate change and loss of jobs related to climate action. It also stipulates support for small enterprises, support for reemployment, and funding from the Korea Climate Action Fund to prevent vulnerable populations from being disproportionately affected in the transition (NDC Registry).
- When *Uruguay* decided to retire part of its fossil fuel-based energy plants in 2014, it worked in the context of the Decent Work Country Programme with the ILO and held negotiations regarding plant closures with the relevant unions. Impacts were addressed mostly through early retirement, while the country sought to expand employment in renewables, in consultation with stakeholders in the context of its participation as a pilot country for the application of the ILO's Guidelines (WRI).
- To implement its commitment to phase out coal by 2030, the province of *Alberta, Canada*, based on a process of engagement with workers, communities and First Nations, has a programme for compensation of coal utilities for stranded assets, anticipation of retirement payments financial assistance for workers to find jobs in other areas or retrain, and financial assistance for economic diversification in communities (WRI).
- In the context of **Spain**'s Just Transition Strategy, an Urgent Action Plan for mining regions and regions where power plants are to be closed provides for compensation to workers, investment in employment in renewable energies and other activities in the former mining/power plant regions, retraining, a job bank, and other measures.
- The **state of Colorado (United States)** enacted legislation in 2019 to promote policies to support workers and communities affected the closure of coal mines and plants as well as communities affected by pollution from the coal industry (WRI).
- In the context of its Green Climate Fund (GCF) country programme, *Antigua and Barbuda* established retraining and employment schemes for affected workers in energy, construction, and transportation. It is also investing in diversification and the creation of new jobs, with greater opportunities for women (NDC Registry).

Sources: World Resources Institute (WRI) Just Transition and Equitable Climate Action Resource Center; Nationally Determined Contributions (NDC) Registry; Voluntary National Review (Greece); government and institutional websites as indicated.

Note: No evaluation of these initiatives was conducted for this paper. References do not imply endorsement.

## **Examples of just transition strategies and measures** (continued)

Diversification	<ul> <li>Liberia, in its NDC, commits to developing programmes for alternative livelihoods for forest-dependent people in five counties in order to ensure a just transition from forest extractive models. This includes the development of models and markets for non-timber forest products and for sustainable eco-tourism (WRI).</li> <li>To address the impacts of its NDC actions on employment, <i>Mauritania</i> aims to invest in new infrastructure for fisheries, diversification in agriculture and the development of new industries (NDC Registry).</li> <li>Greece's Just Transition Development Plan (2021) focuses on transforming the productive model in the lignite areas of the country, promoting clean energy, industry and trade, smart agricultural production, sustainable tourism, technology and education (VNR).</li> </ul>
Corporate strategies	<ul> <li>Italy's Enel energy company (majority state-owned) implemented a plan to migrate away from fossil fuels for electricity generation, which included measures to protect workers through early retirement, retraining and relocating within the company (WRI).</li> <li>In 2020, Scottish and Southern Energy (SSE) adopted a just transition strategy consisting of a set of 20 principles to guide its decision-making towards ensuring "fairness for those impacted by the decline of high-carbon economic activity and increase opportunities of climate action".</li> </ul>
Financing mechanisms	The Just Transition Fund in the <b>EU</b> 's Just Transition Mechanism (17.5 billion euros at 2018 prices) supports EU countries in their green transition, alleviating the socio-economic costs triggered by the transition, supporting economic diversification and reconversion of territories, supporting SMEs, providing reskilling and job-searching assistance, among other measures.
Institutions	<ul> <li>South Africa's Presidential Climate Commission, a multistakeholder body, facilitates dialogue between social partners on a just transition to a low-carbon, climate resilient economy and society and the country's climate change response.</li> <li>Costa Rica committed to establishing, by 2022, a system for Just Transition Governance, which is led by three ministries (energy and environment, human development and social inclusion, and labor and social security), intended to secure intra-governmental coordination and tripartite and social dialogue, integrating women, youth, indigenous peoples, and afro-descendant communities in addition to unions, employers (NDC Registry).</li> <li>The state of Colorado in the United States created a Just Transition Office and a Just Transition Advisory Committee. The latter has the responsibility of developing a just transition plan for the state (WRI).</li> </ul>
International frameworks and guidelines	<ul> <li>ILO: Guidelines for a just transition towards environmentally sustainable economies and societies for all</li> <li>Global Accelerator on Jobs and Social Protection for Just Transitions</li> <li>OECD: Equitable Framework and Finance for Extractive-based Countries in Transition (EFFECT) (to be launched at COP 27)</li> </ul>

Sources: World Resources Institute (WRI) Just Transition and Equitable Climate Action Resource Center; Nationally Determined Contributions (NDC) Registry; Voluntary National Review (Greece); government and institutional websites as indicated.

**Note:** No evaluation of these initiatives was conducted for this paper. References do not imply endorsement.

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