

REFLECTION PAPER

# Incorporating just transition strategies in developing country Nationally Determined Contributions

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The paper is addressed predominantly to parties implementing the Paris Agreement. It explores how developing and least developed countries might apply just transition principles to strengthen their country Nationally Determined Contributions and considers the barriers that exist to them doing so.

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We welcome feedback on this paper and would like to invite readers to collaborate with us on future work regarding the just transition. Please contact us at: [info@climatestrategies.org](mailto:info@climatestrategies.org)

REFLECTION PAPER

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# **Incorporating just transition strategies in developing country Nationally Determined Contributions**

# Table of contents

<b>Credits</b>	<b>ii</b>
<b>Executive summary</b>	<b>1</b>
Context	1
Key findings	1
The Just Transition Context	2
Sources	2
<b>Section 1: Framework for applying just transition principles to NDCs</b>	<b>3</b>
Understanding the just transition	3
Template for including just transition in NDCs	4
<b>Section 2: Introduction</b>	<b>6</b>
The evolution of the concept of a just transition	6
Just transition in the UN climate process	8
Just Transition Toolbox	9
<b>Section 3: Just transition literature review</b>	<b>12</b>
<b>Section 4: Latin American country studies</b>	<b>14</b>
<b>Section 5: Climate Strategies Policy roundtable</b>	<b>15</b>
Conclusions	17
<b>Section 6: Next steps</b>	<b>18</b>
<b>Annex 1: Latin American country studies</b>	<b>20</b>
<b>Annex 2: Literature review</b>	<b>26</b>
<b>Bibliography</b>	<b>30</b>
<b>About Climate Strategies</b>	<b>32</b>



# Executive summary

## Context

This reflection paper explores how developing and least developed countries can incorporate just transition principles into their revised NDCs, enabling more ambitious and equitable emission reduction strategies.

It explains the concept of a just transition in the developing country context; provides guidance on the drafting of just transition language in NDCs; suggests a timeline for each stage of the process; and identifies the resources available to assist in implementation. By following this guidance, developing country governments can deliver on their commitments to the Paris Agreement and the International Labour Organization (ILO) *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, as well as manage social challenges that may arise from their climate strategies.

International climate agreements have begun to acknowledge the social impacts of climate change policy. Specifically, the Paris Agreement requires parties to acknowledge the imperative of a just transition of the workforce and the creation of decent work and quality jobs as part of their commitments to the agreement's emission reduction goals.

The audience for this paper is those responsible for the development of Nationally Determined Contributions (NDCs) in developing countries.

This paper aims to provide tools and strategies for every country that is not regarded as 'developed', specifically for low and middle-income economies. For consistency with defined terminology used in the UNFCCC and UN instruments discussed in the research, the paper uses the term 'developing countries'. It is worth noting that the grouping 'developing countries' is not homogenous and includes countries with significant wealth disparities, including least developed countries (LDCs).

## Key findings

- There is a lack of consensus around the meaning and implications of the just transition concept, specifically in the developing country context, that is creating barrier to its understanding, acceptance and introduction into policy;
- There is a pervading misconception that the just transition is primarily relevant for developed countries;
- Developing countries are, thus far, failing to incorporate just transition principles in their NDCs/climate plans and other domestic strategies;
- There is a lack of practical information on how just transition principles can be applied in developing countries;

- Developing countries are often challenged by high unemployment; and, as a result, labour market management is directed at job creation (rather than transformation) and skills development, reducing capacity to focus on green job creation;
- Informal sectors of the economy tend to account for a significant proportion of developing country labour markets, but they are largely absent from just transition dialogues;
- Meaningful and informed participation of stakeholders is essential to the development of just transition strategies;
  - Developing countries often suffer from lack of engagement of key stakeholders like workers, employers and civil society, in the development of just transition strategies;
  - In some cases, limited capacities, obstruct effective stakeholder engagement in developing countries;
- Responsibility for climate change policies and strategies are spread across government departments that frequently do not talk to each other;
- There is no one size fits all approach. Models for introducing just transition principles need to be responsive to particular domestic circumstances.

serve to substantially strengthen climate action while also advancing economic and social prosperity and well-being.

## Sources

Reflections in this paper are derived from: background indicators drawn from a literature review; initiatives of various international bodies; a Climate Strategies Policy Roundtable of high-level representatives from a range of interested stakeholder groups held at COP25; and case studies of four Latin American countries.

*Just Transition should become an essential component of NDCs. It is fundamental to the achievement of plans needed to deliver the transition to a low-carbon economy.*

*I am pleased that this Reflection Paper acknowledges work of the COP24 Presidency and adopts the recommendations from the report “Solidarity and just transition. Summary report of the actions”. The report serves as framework for mainstreaming social inclusiveness in transition policies and is based on multilateral discussion and in-depth analysis.*

*I commend the recommendations in this Reflection Paper and suggest the resources of the UNFCCC and other international agencies be made available to support its proposed actions.*

**Michał Kurtyka**

UNFCCC COP24 President

Minister of Climate, Poland

## The just transition concept

The just transition means the consideration, based on dialogue and consultation, of the needs of groups of workers, communities, consumers and citizens who are vulnerable to the effects of the low-carbon transition, and the provision of policies that support economic diversification strategies, labour market plans, skills training and social security.

The COP24 President’s Toolbox of Just Transition Strategies provides the most complete and coherent presentation of just transition principles and contexts, and accordingly it is adopted as the recommended framework for governments to present just transition commitments in their NDCs. While not exhaustive, the elements in this toolbox support concrete, tangible approaches that can

## SECTION 1

# Framework for applying just transition principles to NDCs

## Understanding the just transition

This project initially set out to explore how developing countries might best incorporate the principles of the just transition into their NDCs to enable them to fulfil their commitments to the Paris Agreement.

The aim was to test whether, once a country decides to include just transition concepts in its NDC, it should pursue the following implementation steps:

- a) Development of a labour market plan;
- b) Identification of sectors affected by transition during the NDC's time horizon; and
- c) Engagement with local governments, businesses, communities and civil society organisations in those sectors and regions.

However, the existing research, a new study of four countries in the Latin American region, and a Climate Strategies Policy Roundtable (see section 5) held at the 25th Conference of the Parties (COP25) found that there is a lack of common understanding of what is meant by a just transition, and there is a perception that the just transition concept is primarily relevant for developed countries. Accordingly, the initial challenge is to present the just transition concept to developing country parties in a manner that demonstrates its relevance to their circumstances, outlines why it is beneficial to include

in their NDCs, and explains how this can be achieved. The secondary task, then, is to provide the tools for the steps identified at a), b) and c) above.

Testing the need for the development of a labour market plan and sector identification was relatively simple. The ILO guidelines for a just transition [1] and the United Nations (UN) Secretary General's Climate Action for Jobs initiative [2] each start with the pillar of assessing the employment, social and economic impacts of climate action. The United Nations Framework Convention on Climate Change (UNFCCC) "forum on the impacts of the implementation of response measures" and its Katowice Committee of Experts [3] have, as tasks 1,2,3 and 4 of its six-year workplan, the development of a labour market plan. The Committee will explore how to inform the development and implementation of NDCs and identify best practices and strategies for economic diversification and transformation and just transition.

We endorse these commitments and initiatives and, in our recommendations on the way forward, we seek to create a bridge between the challenge of comprehending the relevance of the just transition concept, which reflects the local realities of developing country parties and the ambition of the forum's proposed work programme.

The need for the meaningful and informed engagement of stakeholders<sup>1</sup> was stressed at the Climate Strategies Policy Roundtable and was evident from the country studies and literature review. We confirmed that it is insufficiently addressed in the development of policies and strategies of most developing countries.

Below, we propose a strategy and format for use by developing country parties for the inclusion of just transition principles in their NDCs. This is a preliminary proposal that would benefit from further research to ensure the unique and diverse nature of domestic circumstances are addressed by this approach.

## Template for including just transition in NDCs

Considering the lack of simplified and well-structured guidance on the inclusion of just transition principles in revised NDCs, we propose to present to governments the following framework, which can be taken up whole or in part in NDCs:

1. We [government] acknowledge our commitments under the Paris Agreement to the delivery of a just transition;
2. We re-endorse the ambition of the ILO Guidelines for a just transition and our commitments to those guidelines;
3. We will apply this framework as appropriate to our own, specific circumstances;
4. For the purposes of this NDC, we adopt the just transition concept as proposed by the COP24 President in his Toolbox of Just Transition Strategies. In doing so, we note that it is a wide-ranging and comprehensive programme from which we will, as a first step, focus on the following:
  - Inclusion of just transition commitments

and delivery strategies in NDCs for 2020;

- Assessment of the impacts of the climate transition; and
  - Inclusive decision-making processes.
5. Specifically, and as it relates to our domestic economic and social circumstances, and within the framework of the Toolbox, we will:
    - a. Engage with departments, regional governments, stakeholders and research institutions to identify broader sectoral and regional impacts and strategies to address those impacts (2020–2022);
    - b. Undertake a labour market plan (2020–2022) (using, if necessary, donors and experts to assist with this task and advise government) which will, among other things:
      - i. Identify the sectors anticipated to be impacted by climate change policies and strategies;
      - ii. Identify the impacts on the workforce, including the informal workforce;
      - iii. Recommend strategies to implement the plan, taking into account the outcomes from the tasks at e) below; and
      - iv. Ensure stakeholders can meaningfully participate in the process.
    - c. Establish a coordinating committee across the labour, environment, finance, planning and other relevant portfolios of government (2020–2021);
    - d. Develop a strategy for the ongoing effective engagement of stakeholders (2021);
    - e. Engage with the ILO, UNFCCC and other relevant agencies to assist with modelling labour market requirements consistent with the government's commitments

<sup>1</sup> The concept of stakeholders adopted for this study is that set out by the COP24 President in his *Solidarity and Just Transition, Summary Report of the Actions and the proposed Toolbox of Just Transition Strategies* [38]. He invokes the requirement for multi-actor dialogue and inclusive decision-making processes. He makes specific reference to just transition for the poor (page 36) and most vulnerable, women and children (page 40). This must also extend to issues of equity and human rights, indigenous communities, persons with disabilities and people in vulnerable situations, as per the guiding principles of the Paris Agreement. Each of these stakeholders have a right to be engaged in the development of policy and strategies that will frame the just transition context for the NDC



in this NDC and its economic development planning (2022–2024);

- f. In all of the above, recognise the informal workforce must be accommodated in our planning;
- g. Report regularly on findings and results to relevant agencies within government, stakeholders; and
- h. Review progress against these targets in 2023 (the year of the first Global Stocktake under the Paris Agreement), with a view to extending the workplan to align further with the Toolbox.



## SECTION 2

# Introduction

Achieving the objective of the Paris Agreement and avoiding the worst impacts of climate change will require profound and rapid economic transformation. This transformation must incorporate principles of social and economic justice, and acknowledge the social impacts in a way which encompasses developing countries experience of climate change.

Just transition has been established by government parties to the UN Framework Convention on Climate Change [4] and the Paris Agreement [5] as a key socio-economic element of the policies and measures that are needed to meet their objectives. Just transition is increasingly discussed at the national policy level, particularly in the context of supporting those impacted in vulnerable industries and communities who face marginalisation in the low-carbon transition.

However, there has been relatively little practical application of the just transition concept in developing countries, and in particular in terms of how just transition principles could be applied to their Nationally Determined Contributions (NDCs) – the national climate plans which set out how countries intend to reduce emissions and respond to climate impacts.

Climate Strategies has been working to explore how applying just transition principles could inform the revision of NDCs by developing countries, due to take place before the end of 2020. Specifically,

this project sought to examine an implementation process for including just transition concepts into their NDCs. This reflection paper is based on the outcomes of a Climate Strategies Policy Roundtable at COP25 in Madrid in December 2019, a review of climate change impacts and responses in Latin America, and a focused review of related literature.

The key finding from this project is that different interpretations of what is meant by just transition, and perceptions that it is primarily a concern for developed countries, are impeding the consideration of just transition issues in developing countries. The paper therefore offers, on page 4, recommendations for inclusion of strategies to address labour market impacts of climate change policies.

## The evolution of the concept of a just transition

In the UNFCCC, just transition is the accepted abbreviation of the formal commitment in the Paris Agreement for parties to “tak[e] 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”.

However, there is no formal agreed standard

definition. As the UNRISD/Just Transition Research Collaborative observed in 2018 [37], “not all stakeholders share the same idea of what a just transition should look like, or how and by whom it should be accomplished. Instead of leading to an alignment of peoples’ views, the concept’s growing popularity has led to an expansion of its meanings.”

In practice, just transition involves the consideration, based on dialogue and consultation, of the needs of groups of workers, communities, consumers and citizens who are vulnerable to the effects of the low-carbon transition, and the provision of policies that support economic diversification strategies, labour market plans, skills training and social security.

From the perspective of the trade union movement, the objective of the concept is clear. In responding to a draft of this paper, a representative asserted that: “We need to incorporate fully the social dimension of the climate emergency to be able to reach the ambitious climate policies that are urgently needed. This involves social dialogue with the workers (and employers) affected to implement appropriate policies and measures.”

At the other end of the spectrum of interpretations, just transition can be defined broadly as an honest reckoning with the politics of responding to climate change, to consider who is advantaged and who is disadvantaged, who is empowered and who is left behind.

For many stakeholders, the ILO *Guidelines for a just transition towards environmentally sustainable economies and societies for all* provide the accepted baseline for understanding the just transition concept [1]. The guidelines describe the ILO vision as “a just transition for all, towards a well-managed environmentally sustainable economy ... [which] needs to be well managed and contribute to the goals of decent work for all, social inclusion and the eradication of poverty.” (p4)

At COP24 in Poland in 2018, the COP President’s Solidarity and Just Transition Silesia Declaration [6] called on parties to commit to a just transition in terms that stress that it is crucial to ensure an effective and inclusive transition; and which emphasise the job creation opportunities related to development measures to make infrastructure climate-resilient and enhance institutional capacity.

Other stakeholders stress their particular role in just transition processes. The International Trade Union Confederation (ITUC) uses just transition as a term to describe a wide-ranging workplace, industry, national and global strategy presented by the global trade union movement to protect jobs, incomes and livelihoods of those at risk because of the impact of climate change policies. [7] Meanwhile, the business-led B Team [8] stresses the need for an “enterprise-wide process ... that plans emissions reduction efforts to maximize positive impacts and minimize negative impacts on workers and communities through retention and redeployment, skills training, new job creation, social inclusion and community renewal.” (p3)

A further interpretation is provided by the government of the Australian state of Victoria, referring to the impact on the coal mining-dependent region of the decision by its owners to close the Hazelwood Power Plant. It said: “A just transition means moving to a new economy that can cut greenhouse pollution and withstand the effects of climate change in a way that is fair for the affected communities. The concept of a just transition recognises that we need to ensure the distribution of the costs and benefits of acting to protect our environment. And the people affected need to be part of developing the solutions that will determine their future wellbeing and that of their families.” [9]

The Organisation for Economic Development and Cooperation (OECD) Report, *Investing in Climate, Investing in Growth*, [10] also highlights the potential for unintended impacts on the labour market from development strategies to address climate change. The report cites the case in which a sustainable transport solution that was expected to be good for workers found that each newly created formal job replaced seven informal jobs.

Crucially, the UNFCCC requires parties to take into account the economic and social consequences of emissions mitigation and climate action. The UN climate negotiations also acknowledge that each country circumstance is different, that governments and stakeholders have different capacities and priorities, and response measures must therefore be country-specific.

What’s more, the practicalities of the just transition in developed countries will differ from those of

developing countries. As is discussed below, developing countries tend to have larger informal economies, lower levels of social protection, larger agricultural sectors, and a greater need to create (rather than transform) employment.

For a just transition, there is not a one-size-fits-all approach. Accordingly, and as these varying just transition contexts indicate, models to facilitate the inclusion of just transition in NDCs must allow for the particular domestic social and economic circumstance.

## Just transition in the UN climate process

The 1992 United Nations Framework Convention on Climate Change acknowledges that climate strategies should take into account their economic, social and environmental impacts, as did the 1997 Kyoto Protocol. The trade union movement introduced the concept of a just transition in its submission to the Kyoto climate talks, the first of many interventions by trade unionists [11] which, eventually, led to its inclusion in the final agreement at COP16, in Cancún, Mexico in 2010.

The preamble to the Cancún Agreement provided “that addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs.” [12]

The 2015 Paris Agreement, the successor to the Kyoto Protocol, gave further force to this commitment by including in its preamble a commitment by parties, noted above, to “Tak[e] 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”.

The UNFCCC Response Measures Contact Group was established at COP17 in 2011 as the “forum on the impact of the implementation of response measures”. In 2018, it created the Katowice Committee of

Experts to facilitate its work. That year’s COP, hosted as it was in Poland, saw considerable discussion of the just transition concept, it was then adopted by COP24 President Michał Kurtyka as one of the three themes for his term.

In support of this theme, Kurtyka launched the Solidarity and Just Transition Silesia Declaration at the COP [6] which, as of late 2019, has commitments from 56 parties. At the June 2019 UNFCCC Intersessional meeting of parties, he conducted a workshop with negotiators; in July in Warsaw he hosted a Ministerial Conference, including a range of stakeholders, and then later a meeting in Rome with religious leaders and academics.

Throughout 2019, activity around the Silesia Declaration helped to maintain momentum behind the just transition concept, which was further enhanced at the UN Secretary General’s Climate Action Summit in New York in September, where the COP24 Presidency circulated its summary report on its action on the just transition, [38] providing an extensive assessment of its initiatives and including two significant products:

1. A template for just transition commitments; and
2. A Toolbox of Just Transition Strategies.

Both these tools can help facilitate the inclusion of just transition in the NDCs of developing countries and are discussed further below.

However, there was criticism by the trade union movement of the extent of the COP24 President’s consultations to guide the preparation of his report, with the trade union movement calling for a further level of discussion and arguing that just transition measures and plans need to be negotiated on a tripartite basis (including employers, trade unions and government). The trade unions argued that any process that does not involve the “social partners” (trade unions and employers’ organisations) or any document that has been negotiated without their participation cannot be a basis for further work on the just transition.

The UN Secretary General’s Climate Action Summit sought outcomes under nine streams, including (stream two) on the social dimension of climate

change, which, under the aegis of the ILO, produced the Climate Action for Jobs initiative [2] and was launched at COP25 in Madrid. The Secretary General also obtained commitments from business through the Just Transition Pledge, and the creation by the International Chambers of Commerce of the [Chambers Climate Coalition](#).

In general, COP25 was a much more subdued event regarding the just transition. The one concrete development in the formal UNFCCC process was agreement on a six-year work programme for the Katowice Committee of Experts, setting out its activities, timeline, responsible actors and modalities and outputs. [3] However, COP25 was the venue for the formal announcement by the UN Secretary General of his Climate Action for Jobs initiative, the release by the ILO of its *Skills for Green Future* report [13], and the Climate Strategies Policy Roundtable which provided much of the substance for this reflections paper.

Trade unions and business groups were also active at COP25, the trade unions through their Frontline Briefing [14] and side events, and business through its Action Hub event, Business Ambition for 1.5°C and a Just Transition to a Net-Zero Emissions Economy [15].

## Just Transition Toolbox

The COP24 President's Toolbox of Just Transition Strategies [38] provides the most complete and coherent presentation of just transition principles and contexts, and accordingly it is adopted as the recommended framework for governments to present just transition commitments in their NDCs (see point 4 on page 5).

The Toolbox is the product of multilateral dialogue among representatives of government authorities, science, business and civil society on the practical implementation of the just transition concept. The discussion was conducted in three thematic sections: 'Transition of the Labour Market', 'Sustainable Consumption and Production' and 'Inclusive Transition'. The report presents strategies for policy-makers in relevant areas of the economy and society.

While not exhaustive, the elements in this toolbox support concrete, tangible approaches that can serve to substantially strengthen climate action while also advancing economic and social prosperity and well-being.

The three elements of the Toolbox are summarised below:<sup>2</sup>

### 1. Transition of the labour market

- Incorporation of just transition and jobs policies in NDCs to be submitted in 2020.
- Implementation of the ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all.
- A multi-stakeholder process of social dialogue to forge strong social consensus and enable transformative change without major adverse social and economic disruption.
- Country-tailored assessments of employment, social and economic impacts of the climate transition and evaluation of green jobs potential.
- Economic investment and diversification strategies for regions and communities that are affected by the transition.
- Education, skills development and upgrading measures to enable transitions in labour markets.
- Social protection policies to protect workers and vulnerable groups in the context of more ambitious climate mitigation and adaptation strategies.

### 2. Sustainable production and consumption

- Product standards and transparent labelling, together with consumer awareness campaigns.
- Consumer and producer incentives to promote shifts in greener and more climate-friendly directions (such as fees on single-use plastics or removal of harmful agricultural subsidies).

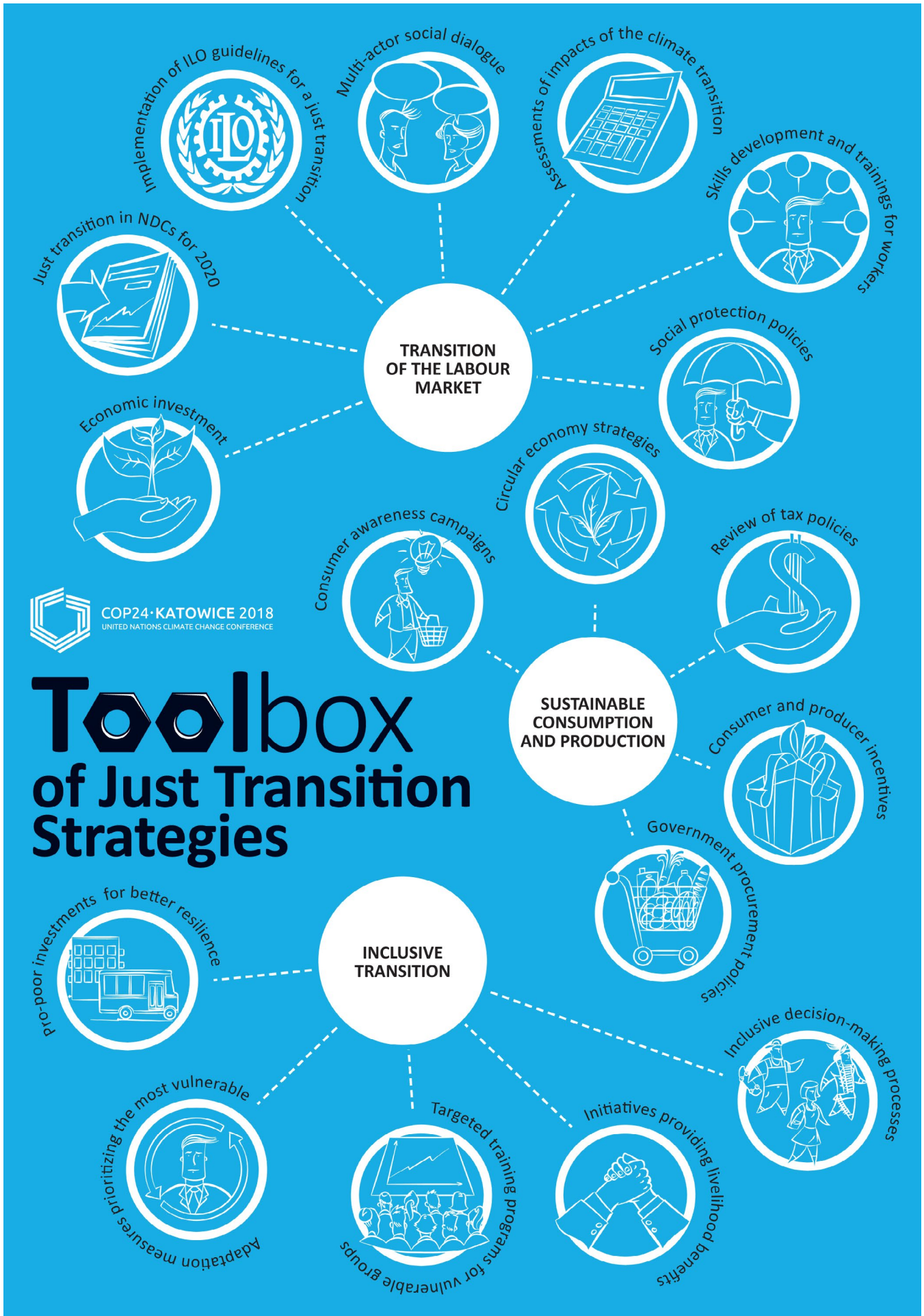
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<sup>2</sup> Discussion of these elements can be found in [38], on pages 45-48.

- Circular economy strategies, including increased reuse of materials and redesign of products to reduce material inputs.
- Examination of the adequacy of national and subnational tax policies, including risk assessments of the potential increase of tax inequalities resulting from NDC implementation.
- Government procurement policies to stimulate markets for climate-friendly goods and services and promote decent jobs.
- Resilience and adaptation measures prioritising the most vulnerable, such as early warning and evacuation planning, targeted insurance, recovery and rebuilding funds, shifts to more sustainable livelihoods, and other resilience measures designed for especially vulnerable communities and populations, including women.
- Targeted training programmes for women and other disadvantaged groups to facilitate access to green jobs involving mitigation and adaptation.

### **3. Inclusive transition**

- Inclusive, participatory decision-making processes that include women, youth, disadvantaged and marginalised communities, and indigenous peoples.
- Pro-poor investments that take climate change into account and build resilience.
- Investment in initiatives that provide climate and livelihood benefits.



Graphic sourced from [38]



## SECTION 3

### Just transition literature review

The project involved a review of relevant literature to explore existing material to support governments and stakeholders in incorporating just transition concepts in their revised NDCs.<sup>3</sup> Papers were selected based on their relevance and usefulness in this context.

Guiding principles can be found in the ILO's *Guidelines for a just transition* [1], but these perhaps reflect ambition rather than practical advice for countries where, for instance, social dialogue and collective bargaining are not established practice and the institutions of the state and stakeholders are weak.

The COP24 President's *Solidarity and Just Transition Report* [38] provides a practical toolbox that sets out the issues to be considered in policy and strategies. In addition, the UN Secretary General has committed, through his Climate Action for Jobs initiative [2], to develop resources to facilitate a just transition in national plans. Despite the value of these initiatives, in the immediate future, developing countries need more definitive guidance and assistance.

The OECD's *Accelerating Climate Action: Refocusing Policies* [31] through a Well-being Lens draws attention to policy approaches and the need for appropriate measurement tools, an issue also raised by stakeholders at the Climate Strategies Policy Roundtable.

*Why a just transition is crucial for effective climate action*, from the Principles for Responsible Investment's Inevitable Policy Response initiative [35], is a helpful commentary, with well-articulated proposals. However, it selectively identifies stakeholders, omitting a key stakeholder, namely business. As is established across the other literature, all stakeholders must be involved. The ITUC report, *The contribution of social dialogue to the 2030 agenda – Promoting a just transition towards sustainable economies and societies for all* [7], balances this while specifically addressing the need to build stakeholder capacity and providing case studies of the benefits that flow from the approach the ITUC takes.

Two reports by Kazanskyi et al. [33] and Dudau et al. [34] addressing coal mine closures in Ukraine are compelling both for the story they tell and the injustices but more so for highlighting the importance of the particular domestic situation to decision making and the measures required to manage the transition and restore rights. While they present an extreme case, they nonetheless demonstrate that there is no one-size-fits-all solution.

The ILO *Skills for a Greener Future* report [13] provides insights into this important feature of policy development and assists by identifying the current gaps and the infrastructure necessary to ensure that workers are available in the number and with

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<sup>3</sup> More detail can be found in Annex 2



the skills required to manage the impacts of climate change.

*The Knowledge Gaps Report* by Ryan and Bustos [32] provides empirical evidence on the weakness of institutions of government, common knowledge deficits and lack of participation by relevant actors.

In summary, our review of the literature found that the UN and its agencies are developing a solid framework and support for the inclusion of just transition concepts in national policies and strategies. However, more is required. Key insights from the review are:

- the labour market is impacted by climate change policies and skills development is integral to the just transition process;
- the institutions of government often do not have the capacity to effectively implement commitments made under the Paris Agreement;
- stakeholders need to participate in the policy process; and to achieve this, capacity needs to be developed across all stakeholders; and
- that each domestic situation is unique.

## SECTION 4

# Latin American country studies



We reviewed the NDCs of four Latin American countries: Argentina, Chile, Colombia and Mexico,<sup>4</sup> and we considered climate policy developments since these NDCs were produced in 2015. These country studies offer four unique developing country perspectives, from the point of view of somewhat mature and relatively wealthy economies, with GDP per capita (measured by purchasing power parity)<sup>5</sup> ranging from US\$14,400 in Colombia to US\$24,600 in Chile. All countries exhibit considerable inequality, with significant sections of their populations living in poverty, poor social protection and large informal workforces. Each is already experiencing the impacts of climate change on their economies, societies and indigenous communities.

The focus of these governments regarding their labour markets is job creation and skills, reflecting concerns about employment. Labour market strategies are not linked to strategies to transition to lower-carbon economies. The concept of green jobs – that is, good jobs in emerging and established low-carbon industries – is not, at least at this stage, part of government policy and strategies. Social dialogue, as a pillar of the just transition concept, is not an established process. Such dialogue is further weakened by large informal economies which operate outside the regulated and organised frameworks.

A further challenge for these countries (although to a lesser extent in Chile) is that the institutions of government in respect of labour law and governance are weak, employers' organisations and trade unions have limited capacity and their engagement in the development of strategies to implement NDC commitments and climate policies is also deficient.

That said, all four countries have joined the Open Government Partnership, an initiative where countries co-create two-year plans to improve government programmes/services, provide opportunity for social dialogue and support for governments to adopt and implement their climate change commitments. [16]

The updated NDCs, due to be submitted in 2020, will allow for an assessment of these countries' progress against their initial NDC commitments and the degree to which they have begun to consider elements of the just transition. They may also reveal the benefits of labour market plans and the formal adoption of just transition concept concepts in leveraging greater ambition.

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4 More detail can be found in Annex 1.

5 Refer to footnotes p26



## SECTION 5

# Climate Strategies Policy Roundtable

During COP25, Climate Strategies hosted a Just Transition Policy Roundtable, bringing together 19 stakeholders at the leading edge of the just transition process, chosen for their experience in developing countries and more specifically the Latin American region. The Roundtable – held under Chatham House rules – was designed as a follow-up to Climate Strategies’ side event held at COP24, which was co-hosted with the COP24 Presidency and the ILO in the Polish Pavilion. [17]

Participants were asked to consider challenges to the inclusion of just transition principles in the NDCs of governments in developing countries, based on their experiences and lessons learnt.<sup>6</sup>

The following is a summary of the discussions. The interventions include key messages that are carried forward into the recommendations for action, but they do not necessarily reflect the views of the authors.

### UN/ILO representatives

The UN and the ILO have been active in promoting just transition initiatives, such as the UN Secretary General’s Climate Action for Jobs, which is to be led by the ILO. It aims to promote job-centred policies for climate action, inclusive social protection polices, social dialogue, and research and knowledge which

will provide advocacy and outreach, global research and capacity development.

Further, the COP24 President’s 2018 Solidarity and Just Transition Declaration has been supported throughout 2019 by engagements with negotiators, ministers and stakeholders. This engagement has found that the transitioning of mindsets and lifestyles is necessary. The climate transition is occurring not just in mining and energy but also in agriculture and industrial sectors. Business needs to be engaged to promote change, and direction is needed from the top.

The ILO work in respect of green jobs in Latin America, is in its early stages, as government strategies are focused more on job creation than on economic diversification for the creation of better green jobs.

Given that social dialogue is not an established mechanism in some Latin American countries, the ILO is seeking to develop more innovative approaches.

### Government representatives

Among governments generally, the disparate allocation amongst ministries of responsibilities relevant to the just transition creates challenges.

<sup>6</sup> The background briefing note on the topic, which was provided to participants in advance of the roundtable, is available at Climate Strategies website

Ministries of labour deal mostly with labour relations and skills, whereas environment ministries have responsibility for green jobs, while planning and finance ministries have responsibilities for economic planning and labour market policy. There is often little dialogue between portfolios.

While there are examples of governments creating panels that bring together government, employers, trade unions and other stakeholders, this is not always the case. In many countries, social dialogue is not common practice. A further difficulty in introducing the just transition concept is that social protection measures are weak in many countries, which can lead people into the informal economy.

Issues that impact the ability to effectively engage with stakeholders and those affected are often unique to each country, including threats of conflict with neighbouring countries, domestic conflict, political instability, social inequality, and where the rights of communities conflict with development strategies. Equally, there is often little understanding of the just transition concept, and how it can be applied domestically, as well as a lack of capacity to support its ambition.

In respect of civil society engagement and social dialogue, engagement directly with parliamentarians is an underutilised resource. They are not only responsible for representing their communities and holding the executive accountable, but they also have the ability to promote legislation related to the just transition.

In summary, in many developing countries in general and in the Latin American region in particular, social dialogue and social protection are often weak, and trade unions and business representative organisations often lack the opportunity or capacity to engage effectively with government. In consequence, it can be a challenge to create models for effective stakeholder engagement.

## **Business and trade unions**

The trade union movement has committed to action on climate and is advocating for the just transition to address the concerns of their members that they may bear a disproportionate burden of climate policies. Trade unions first developed the just transition

concept and it is through their efforts that it now has formal standing in the climate negotiations. It is their strongly held view that it is only through effective engagement with stakeholders and the representatives of workers that a just transition can be achieved.

Business representatives spoke to their respective situations across three continents, but their observations conveyed a commonality: namely that government climate change policies and commitments are a reflection of domestic economic development strategies; they are often challenged by high unemployment; and, as a result, labour market management is directed at job creation and skills development, reducing their capacity to focus on green job creation. Social dialogue and social protection measures are weak, and in each of the situations described, trade unions are not influential and are experiencing declining memberships.

While supportive of the just transition concept and equity, it was highlighted that there are many other domestic challenges to overcome, requiring better capacity among stakeholders to influence policy.

In addition, and while the trade unions (and, previously, the ILO) had presented their initial work with the informal sector, the absence of informal sector strategies were noted in the dialogue. In developing countries, the informal sector is a significant part of the labour market. However, just transition models, stakeholder engagement and social dialogue as reflected in this discussion do not provide guidance on a pathway to address this issue.

## **Research institutions**

The researchers present added perspectives that had not otherwise been raised during the discussion. Three interventions were made. The first stated that governments in some Latin American countries have made NDC commitments that are not backed by detailed planning; it is necessary to ensure that the technologies are available in-country to facilitate the shift to renewables; indigenous communities are being impacted by this shift which places at the forefront of policy considerations the issues of restorative justice, recognition of impacts on workers and their right to be involved, and fair wealth distribution.

The second spoke to specific challenges for introducing just transition approaches in developing countries where coal may be an important energy source to facilitate social development strategies. He cited a case study where the challenges of rapid industrialisation and increased domestic energy demand clashed with the government's commitments to reduce emissions. This created competing pressures of essential social development which required low-cost energy, private sector investment and harmony with the electorate, against commitments to the Paris Agreement and the necessity to shift away from coal.

The third spoke from the legal perspective. His key messages were: the absence of common language in climate agreements creates challenges for legislators and the legal community; active labour market policies promoting the just transition may work in developed countries, but these may be harder to implement in developing countries where the rule of law has a different character; broader labour market trends – including declining union influence, heterogeneous workplaces, the gig economy, large informal workforces, and sometimes hostile legal frameworks for trade unions – all militate against the successful introduction and/or implementation of just transition policies; and the just transition movement has to be able to adapt to these different circumstances.

Before concluding the discussion, the facilitator invited participants to write recommendations for the way forward which are captured here:

- Just transition in the developing country context needs to be better defined, communicated and be more considerate of countries' unique circumstances;
- Developing country parties need prescriptive tools to assist in policy development and measurement;
- Trust is an essential element in social reform;
- Many countries are limited in their capacity to raise their climate ambition because communities currently rely on unsustainable industries which may find it challenging to implement a just transition; and
- More thought is needed regarding just transition as a key element in

action to address the production gap (the discrepancy between countries planned fossil fuel production and global production levels consistent with limiting warming to 1.5°C or 2°C).

## Conclusions

The Climate Strategies Policy Roundtable combined structured discussion around the application of just transition principles to NDCs, experiences and lessons learned, and sectoral impacts beyond the energy sector. The key messages from the Roundtable were:

- There is little consensus around the meaning and implications of the just transition concept. Some participants were narrowly focused on green jobs, or the transition of coal-mining sectors, while others viewed it as a much wider process. This is creating barriers to its understanding, acceptance and introduction into policy.
- There is limited understanding of how the just transition concept can be applied in developing countries.
- Engagement with stakeholders and government is essential to the delivery of just transition and is currently limited.
- Capacity within government and stakeholders must be enhanced.
- Labour market planning in response to climate change policies often lies with the environment portfolio, necessitating work across and cooperation between ministries. However, in respect of climate change policies and strategies, government departments frequently do not adequately communicate with each other.
- Governments are looking for guidance and need tools.
- There is no one-size-fits-all approach. Models for introducing just transition principles need to be responsive to particular domestic circumstances.



## SECTION 6

### Next steps

The work for this project has identified a number of barriers to the inclusion of just transition strategies in NDCs. That said, it has also established that there is a unanimity of purpose in respect of the just transition and therefore the desire to overcome and resolve these barriers. The further work required to achieve greater incorporation of just transition in NDCs, and therefore to greater ambition during 2020 would involve:

1. Extending the literature review to reflect circumstances in other regions, particularly Africa and Asia;
2. Preparation of a comprehensive template of policy and strategy options to guide the inclusion of just transition principles in NDCs that:
  - a. Provides more detailed “how to implement in-country” guidance;
  - b. Discusses how governments can access UNFCCC, ILO and other resources;
  - c. Sets out how governments can access funds and expertise to ensure that their just transition strategies can be implemented; and
  - d. Ensures just transition strategies are an integrated component of their overall NDC commitments;
3. Engagement with stakeholders through:
  - a. Interactive dialogue(s) focused on concrete circumstances and needs of selected regions (countries), resulting in a number of mini case-studies; and
  - b. A reflection forum, possibly to align with the UNFCCC inter-sessional meetings in Bonn in June 2020;
4. Engagement with relevant UN agencies to ensure this work complements and is integrated with their programmes; and
5. Development of an issues paper identifying transition challenges related to countries’ domestic circumstances. Specific issues to be covered in such a paper include:
  - a. Identification of government priorities, change drivers/entry points in developing countries to push for inclusion of just transition principles in NDCs.
  - b. A need for discussion around:
    - i. Labour market planning that is inclusive of the informal sector workforce;
    - ii. How to build trust between business, government, labour and civil society stakeholders to ensure a successful social dialogue process;
    - iii. Identifying the appropriate timing for implementing each element of the

- just transition at country level; and
- iv. Clearly establishing the necessary facts. (What is a just transition? What does it mean for each country? What changes are required? What combination of technology and policy mechanisms should be used?).
  - c. Guidance for how the private sector can engage constructively in the process.
  - d. Establishment of government and stakeholder coordinating/ technical working groups.
  - e. Identifying stakeholders with due and proper consideration of the representation of social interest groups including gender, informal sectors, age, disability, indigenous populations and rural workers.
  - f. Identifying technology requirements for the transition and ensuring the technologies are available in-country.
  - g. Ensuring post-legislative scrutiny. Parliaments can play a significant role in evaluating whether or not legislation is achieving its intended impacts.
  - h. Ensuring transparency around lobbying activities to protect against, for example, large emitting industries exerting significant influence over legislative and policy decisions.

## ANNEX 1:

# Latin American Country studies

To better understand the context for including just transition strategies in developing country NDCs, this project examined the NDCs and wider economic, social and environmental circumstance of four Latin American countries. This annex discusses the profiles for each of those countries.

		<b>Argentina 2014</b>	<b>Chile 2018</b>	<b>Colombia 2018</b>	<b>Mexico 2018</b>
ILOStat-Country profiles [%]	Employment to population	54.4	55.5	62.2	57.6
	Share to agriculture	2	9.2	16.7	12.7
	Share to industry	24.6	22.3	20	25.9
	Working poverty rate	22.4		18.2	
	Social protection-govt health	75.3	62.8	83	52.2
	Social protection ex-health	12.9	6.8	9.5	7.4
	Trade union density	27.7	19.6	9.5	12.5
	Collective bargaining coverage	51.8	17.9	15.7	9.9
ILOStat	Informal employment 2017 [%]	11 (2011)	30	47.4	57
CEDLAS*	Informal Employment 2017 [%]	39.7	30.1	59.2	48.5
Silesia Declaration		X			X
BBC Country profiles	Population [m]	44	17.9	49	116
	Capital	Buenos Aires	Santiago	Bogota	Mexico City
	Life expectancy-men [years]	73	77	71	75



		<b>Argentina 2014</b>	<b>Chile 2018</b>	<b>Colombia 2018</b>	<b>Mexico 2018</b>
CIA World Fact Book					
Land use [%]	Agriculture	53.9	21.1	37.5	54.9
	Forest	10.7	21.9	54.4	33.3
	Other	35.4	57	8.1	11.8
Environmental issues	Deforestation	X	X	X	X
	Soil degradation	X	X	X	X
	Desertification	X			X
	Air and water pollution	X	X	X	X
	Waste		X		X
	Wildlife conservation		X		
	Illegal drug crops			X	
	Rural to urban migration				X
	Natural freshwater				X
Age structure [%]	15-24 years	15.2	14.63	17	17.35
	25-54 years	39.46	42.94	42	40.91
Urbanisation [%]		92	87.6	81.1	80.4
Sanitation urban [%]		96.2	100	85.2	88
Literacy [%]		99.1	96.9	94.7	94.9
School life expectancy- [years]		18	16	15	14
Unemployment youth		22.6	18.1	18.7	6.9
GDP per capita ppp (2018) [US\$] <sup>^</sup>		US\$20,900	US\$24,600	US\$14,400	US\$19,900
GDP per capita (World Bank 2018) [US\$] <sup>†</sup>		US\$11,683	US\$15,923	US\$6,667	US\$9,673

		<b>Argentina 2014</b>	<b>Chile 2018</b>	<b>Colombia 2018</b>	<b>Mexico 2018</b>
GDP composition [%]	Agriculture	10.8	4.2	7.2	3.6
	Industry	21.8	32.8	30.8	31.9
	Services	61.1	63	62.1	64.5
Labour force by occupation [%]	Agriculture	5.3	9.2	17	13.4
	Industry	28.6	23.7	21	24.1
	Services	66.1	67.1	62	61.9
Unemployment rate [%]		8.4	6.7	9.3	3.4
Population below poverty line [%]		25.7	14.4	28	46.2
Inflation rate [%]		25.7	2.2	4.3	6
Electricity [%]	Fossil fuels	69	59	29	71
	Nuclear	4	0	0	2
	Hydro	24	26	69	17
	Other renewables	3	15	2	9

\* The Center of Distributive, Labor and Social Studies (CEDLAS) is a research center that specialises in the empirical study of distributive, labour and social issues in Latin America. Created in 2002, CEDLAS is based at Facultad de Ciencias Económicas – Universidad Nacional de La Plata, Argentina. <http://www.cedlas.econo.unlp.edu.ar/wp/en/estadisticas/lablac/estadisticas-lablac/#1496165509975-36a05fb8-428b>

<sup>Δ</sup> GDP per capita (based on purchasing power parity) is gross domestic product converted to international dollars using purchasing power parity rates and divided by the total population. An international dollar has the same purchasing power over GDP as a US dollar has in the United States.

<sup>†</sup> GDP per capita is the total value of all the goods and services produced by a country in a particular year, divided by the number of people living there.

## Argentina

Argentina is rich in resources, has a well-educated workforce, and is one of South America's largest economies. But its political life has been troubled and it has suffered from significant economic volatility. [18] The currency lost significant value in 2019, annual inflation is over 50%, GDP contracted 2.5% in 2018 and a further 2.5% in the first half of 2019. [19]

With respect to its social indicators, 25.7% of the population live below the poverty line. ILOstats records social protection excluding health at 12.9%, trade union density at 27.7%, collective bargaining coverage of 51.8% of the workforce, and the informal economy accounting for 39.7% of employment. [20]

In summary, high levels of trade union density and collective bargaining coverage are indicators of a strong regulated labour market. However,

informal employment is increasing, the country is experiencing economic problems and poverty levels remain high.

Argentina's major environmental concerns are deforestation, soil degradation, desertification, air and water pollution. [21]

Argentina's NDC [22] commitment is that the country "shall not exceed a net emission of 483m tonnes of carbon dioxide equivalent by the year 2030". The goal is to be achieved through a focus on energy, agriculture, forests, transport, industry and waste. With international funding for technology transfer and capacity building, it pledges to further reduce its CO2 equivalent emissions by 90m tonnes.

The mitigation dimension of the NDC relies on the significant positive developments in climate policy including the biofuels law and the renewable energy law introduced in 2015. [23] Its adaptation commitments are much more expansive and reflect the impacts experienced due to climate change on its "huge biodiversity, with ... 18 ecoregions, from which eight have been classified as a high priority for conservation". (para 3.3.1).

Importantly, and as it relates to this study, the NDC commits to strong stakeholder engagement and identifies the initiatives and actors that will work with the government's National Climate Change Cabinet. Those actors are the national public agencies, provinces, municipalities/communes, NGOs, private sector and universities for each of the eight adaptation measures set out in the NDC.

The NDC sets out a solid platform for the introduction of the just transition concept into the next iteration. The government has also committed to the COP24 President's Just Transition Declaration.

## Chile

Chile is one of South America's most stable and prosperous nations and, in recent times, has been politically stable. [18] That said, its reputation for stability was challenged by the social unrest issues. One of its immediate consequences was the shifting of COP25 from the capital Santiago to Madrid, Spain.

Regarding social indicators, 14.4% of the population

lives below the poverty line, ILOstats records social protection excluding health at 6.8%, trade union density at 19.6%, collective bargaining coverage is 17.9% of the workforce and 30% work in the informal economy. [20] Despite its high trade union density and modest poverty, poor collective bargaining coverage and a large informal economy are indicators of the inequality that led to the recent civil unrest.

Chile's major environmental concerns are deforestation, soil degradation, air and water pollution, waste and wildlife conservation. [21]

The government's NDC [24] contains dual carbon targets, with the non-LULUCF (land use, land-use change, and forestry) sector committed to reduce its CO2 emissions per unit of GDP by 30% below 2007 levels by 2030, while the LULUCF sector commitments include the sustainable development and recovery of 100,000 hectares of forest land, mainly native, which will account for greenhouse gas (GHG) sequestrations and reductions of an annual equivalent of around 600,000 of CO2 as of 2030.

Like most countries, the NDC does not include strategies for the labour market or just transition, nor engagement with business, trade unions and other stakeholders.

Since the NDC was submitted in 2015, the government has acted decisively to introduce programmes to support its stated ambition. Ahead of its July 2019 announcement of plans to completely phase out coal by 2040 and of a renewables target of 60% by 2035 and 70% by 2050, the Chilean-German Energy Partnership was established to exchange best practices on energy and business models for the transition. [25]

During 2018-2019, the Ministry of Energy led a working group with the main stakeholders (private and public sector, trade unions, NGOs, academia) with the aim of establishing criteria to enable a smooth transition to a low-carbon economy. [26]

## Colombia

The fourth largest country in South America and one of the continent's most populous nations, Colombia has substantial oil reserves and is a major producer of gold, silver, emeralds, platinum and coal. It also

has a highly stratified society where a small number of established families have benefited from this wealth to a far greater degree than the majority mixed-race population. [18]

With respect to social indicators, Colombia suffers from high levels of poverty – with 28% of the population living below the poverty line – and a large informal economy, accounting for 47.4% of employment. ILOstats records social protection excluding health at 9.3%, trade union density at 9.5%, and collective bargaining coverage at 15.7% of the workforce and 47.4% are in the informal economy. [20] In summary, none of the indicators are positive, with particular concerns about the high levels of poverty and the informal sector.

The major environmental concerns are deforestation, soil degradation, air and water pollution and illegal drug crops. [21]

Colombia's NDC [27] commits to a 20% reduction in GHG emissions by 2030, from a 2010 base year. The NDC presents a territory characterised by a great diversity of ecosystems and significant cultural diversity. This, added to a climate-dependent economy, makes the country highly vulnerable and sensitive to adverse impacts of climate change. GHG emissions are mainly from agriculture, forestry and other land use (AFLU, at 59%) and energy (32%). A National Development Plan for 2014-2018 is being prepared, with peace, social equality and education set as the new national priorities. The strategies prioritise adaptation reflecting the volume of emissions from AFLU.

The NDC does not reference either the impact on the labour market or the elements of a just transition.

Following the damaging 2018 bushfires across the Amazon, Colombia's President acknowledged the serious impacts of climate change in terms of lengthening the region's dry season. These impacts are exacerbated by illegal agriculture, cattle ranching, logging and mining. Meanwhile, as Sebastian Lema and Johanna Kleffmann have observed, 14% of landowners possess 80% of the land. [28] As a result, many rural regions have experienced low levels of economic development and poor infrastructure, leading to local communities' perception of neglect by the government.

In response to these concerns, the President committed to create an Anti-Deforestation Commission, which will; reduce deforestation by 30% over his four-year term; plant 180 million trees by 2022; reach agreement with eight countries in the region to set a target of 70% renewables by 2030; and promote electric vehicles and mobility through tax incentives and subsidies. [29]

## Mexico

Mexico has the second largest economy in Latin America and is a major oil exporter. It also suffers from considerable inequality. [18] Some 46% of the population live below the poverty line, and ILOstats records social protection excluding health at 7.4%, trade union density at 12.5%, collective bargaining coverage is 9.9% of the workforce and 57% of workers are employed in the informal economy. [20]

The major environmental concerns are deforestation, soil degradation, desertification, air and water pollution, waste, rural-to-urban migration and water quality. [21]

Mexico's NDC [30] commits to tackling climate change by transforming its development route to a low-emissions pathway through the progressive decoupling of carbon emissions from economic growth. Furthermore, it commits to reduce emissions by 50% by 2050 against a 2000 base year with intermediate goals of 35% of electricity generated through clean energy by 2024, a 22% reduction (unconditional) and 36% (conditional) reduction compared with business-as-usual by 2030, zero deforestation and a peak in emissions in 2026.

Mexico's geographic characteristics make it highly vulnerable to the adverse impacts of climate change. The country has suffered an increased number of extreme weather events such as tropical cyclones, floods and droughts, leading to loss of human life as well as high social and economic costs.

In April 2012, the Mexican Congress unanimously approved the General Law on Climate Change (Ley General de Cambio Climatico, or LGCC), which entered into force in October of that year, making Mexico the first developing country to introduce a comprehensive law on this subject. As a result of the implementation of this new LGCC, the country has

established institutions and effective instruments to reduce GHGs, as well as to increase the adaptive capacity of the country.

While the law in its original reading of 2012 was heavily focused on mitigation, the revision of 2018 mandates development of a national adaptation plan and a requirement for the states and municipalities to address adaptation.

The key challenge now is to close the gap between what is set out in the law and the reality of climate policy arrangements, processes and practice.

Notable in Mexico's NDC and reflected in its adaptation strategies is the social dimension of climate action. Its focus is on the adaptive capacity of municipalities through disaster risk management

and early warning systems. In referencing adaptation to climate change, it speaks of poverty as the determining factor in social vulnerability, precarious housing facilities and high-risk areas prone to climate disasters. It also proposes guarantees for food security, strengthening adaptive capacity with a gender and human rights-based approach, and preventing illness.

The social dialogue and stakeholder participation elements of the just transition process are, as yet, not a factor in either Mexico's climate law or its NDC. There are clearly social development priorities although the labour market and just transition is not seen as either a strategy or a necessary consideration.

## ANNEX 2:

# Literature review

This section summarises a review of relevant literature of potential interest to developing country governments and their stakeholders when incorporating just transition principles in their NDCs.

### **ILO Guidelines for a just transition to environmentally sustainable economies and societies for all [1]**

The guidelines were developed and agreed by government, employers' organisations and trade unions at a meeting convened for this specific purpose. It is a milestone agreement and presents the principles of the ambition for just transition. That said, and despite unanimous agreement, there are challenges for governments in transforming the commitment into practice.

These guidelines are addressed to governments and social partners (workers and employers' representatives) and are based on the four pillars of the Decent Work Agenda: employment, labour rights, social protection and social dialogue. The guidelines propose the integration of just transition principles into macroeconomic policies by combining industrial and sectoral policies with the investment of public funds, appropriate taxation policies and the adjustment of training and education to the new imperatives.

To this end, the just transition framework is supported by the following pillars:

- Early assessment of the social and economic consequences of climate change and responses to it;
- Promotion of substantial public investment in low-carbon sectors and technologies;
- Active policies for the restructuring and diversification of the economy in the territories most affected;
- Promotion of professional training and retraining for the development of skills through economic restructuring and to increase resilience;
- Strengthening social protection systems and public investment in health, education etc., especially in the most impoverished countries and those that have lower institutional capacities; and
- Promotion of social dialogue, collective bargaining and social participation.

### **UN Secretary General Climate Action Summit jobs initiative [2]**

The new initiative calls on countries to formulate national plans for a just transition, creating decent work as well as green jobs, and sets out specific measures for inclusion in these plans, including:

- Assessing the employment, social, and economic impacts of climate action;
- Implementing skills development and upgrading measures;
- Designing innovative social protection policies to protect workers and vulnerable groups;
- Increasing the transfer of technology and knowledge to developing countries, and innovation and responsible investment;
- Fostering a conducive business environment to enable enterprises, in particular SMEs, to adopt low-carbon production processes;
- Devising economic policies and incentives to support and encourage the transition of enterprises towards the environmentally sustainable production of goods and services; and

- Creating mechanisms for inclusive social dialogue to build consensus for transformative and sustainable change.

## **Solidarity and Just Transition. Summary Report of the Actions [38]**

The COP24 President focused on just transition through his Solidarity and Just Transition Silesia Declaration, followed up with the Ministerial Conference entitled People and Climate – Solidarity and Just Transition, aimed at governments. His subsequent report, released at the UN Climate Action Summit in September, includes two texts intended to inform and guide governments in their policy considerations: a template for just transition commitments; and a Toolbox of Just Transition Strategies.

The toolbox is valuable because it is clear in the requirement for a whole-of-economy/society approach. It notes the essential linking of the three themes of transition of labour market, sustainable consumption and production and inclusive transition. For the labour market, it speaks of the need for economic investment, just transition in NDCs, multi-actor dialogue, assessment of impacts of the climate transition, skills development and training of workers, and social protection principles. This is a comprehensive suite of initiatives that also stresses the imperative of monitoring and evaluation.

## **Accelerating climate action. Refocusing policies through a wellbeing lens [31]**

In this 2019 report the OECD establishes the need to shift emphasis from a production-oriented measurement system to one focused on the wellbeing of current and future generations, towards broader measures of social progress.

## **Investing in Climate, Investing in Growth [10]**

This 2017 OECD report highlights the potential for unintended impacts on the labour market from development strategies to address climate change.

It cites the case in which a sustainable transport solution that was expected to be good for workers,

but when implemented in practice found that each newly created formal job replaced seven informal jobs. It also notes that impacts on labour productivity are likely to disproportionately affect the poor, especially women, who tend to work in climate-sensitive sectors and have fewer resources for adaptation.

## **Knowledge gaps and climate adaptation policy: a comparative analysis of six Latin American countries [32]**

This is significant research by Ryan and Bustos 2019 with findings that go to the heart of the challenges facing developing countries and as reinforced at the Climate Strategies Policy Roundtable.

The six countries in this study are Argentina, Brazil, Chile, Costa Rica, Paraguay and Uruguay. The study found that weak state capacity is a highly relevant factor affecting the usability of available knowledge for policymaking and implementation. The result is that relevant actors do not participate, the knowledge needs of policy actors are not considered properly, and different disciplinary approaches are not considered.

## **The Real Price of Coal in the Wartime Donbas: A Human Rights Perspective. Summary of the Report [33]**

In the context of the project, the report by Kazanskyi et al. 2017 discusses the economic and social dimension of the closure of a major coal mining region, against a backdrop of conflict.

In 1991 Ukraine inherited over 200 mines in Donbas from the Soviet Union, which employed 961,000 people. Between 1996 and 2000, 83 mines closed. There are now 127 coal mines, 97 privatised and 30 state-owned, which in 2015 employed just 122,000 people. The region experienced violation of labour and social rights relating to non-payment of wages, breaches of safety, use of child labour and restricted opportunities for women. There are also issues of organised crime, corruption, severe restrictions on freedom of expression as well as the elimination of the trade union movement.

## **Transformation Experiences of Coal Regions. Recommendations for Ukraine and other European countries. Executive Summary [34]**

This report by Dudau et al. 2019 extends the commentary on Ukraine and the Donbas region. The report includes a list of concrete recommendations on how to manage the further closure of coal mine, with a sound economic perspective and minimal negative social consequences for Ukraine authorities on the national, regional and local levels.

## **The Contribution of Social Dialogue to the 2030 Agenda. Promoting a Just Transition towards sustainable economies and societies for all [7]**

The report by Marquez and Maeztu 2019 discusses the project “Climate Change: building trade union capacities for a just transition (2018-2022)”, which examines how trade unions can engage national governments on the just transition. The project aims to build capacity for public services trade unions to address the climate crisis. The partners hope to improve the technical and organisational skills of public services unions in order to develop social dialogue, identify the key aspects of the implementation of national commitments, and provide analytical tools for the critical evaluations to be undertaken. The report includes case studies of concrete action to enhance the effectiveness of transition policies and the delivery of just transition concepts appropriate to the particular circumstance.

## **Why a just transition is crucial for effective climate action. Inevitable Policy Response [35]**

The report, by Robins and Rydge 2019, outlines how the concept of just transition has emerged as a key pillar of climate strategy and reflects the growing realisation that the scale and speed of economic transformation necessitates an active social dimension. The authors present a textbook example of the processes to be observed, although they selectively identify stakeholders, and in doing so they overlook the important role of business in the process. They propose involving workers and anticipating employment shifts, respecting rights

at work, understanding the spill-over effects for communities, prioritising implications for consumers with inadequate access to sustainable goods and services and creating the framework for active citizen involvement in policy design.

## **Skills for a Greener Future: A Global View [13]**

This report is a major body of work by the ILO and was launched at COP25. It concludes that 25 million jobs will be created and nearly 7 million jobs lost globally, of which 5 million can be reclaimed through labour reallocation. This will require massive investment to train workers in skills required for close to 20 million new jobs. Of particular note among its findings is the observation that permanent mechanisms dedicated to anticipating and monitoring skills needs, specifically for a green economy, are rare. It also finds that, while the green economy features more strongly in current policy in some countries, the situation with respect to skills has improved only moderately. It also notes that, in some cases, if the vocational training system is not functioning well (e.g. if it does not respond effectively to sectoral demands), the private sector develops the skills it needs itself.

## **Just Transitions for Workers: When Climate Change Met Labour Justice [36]**

This paper by Ghaleigh 2019 introduces the concept of Just Transitions for Workers (JTW) as an aspect of the response to climate change and argues that the traditional suspicion between social democratic thought and labour law is unproductive. Rather, there are mutual gains to be had from a more engaged relationship. This is especially true when we consider the changes to labour markets, policy, and law which a meaningful response to the climate challenge will require. The central idea of JTW is that the necessary transition to a low-carbon economy requires a radical reorganisation of the means of production and distribution and that this entails significant transitional challenges for workers, communities and industries. JTW has already had some significant impact on national and sub-national planning for climate action. There are various legal landscapes in which JTW may find purchase, from ILO instruments and the Silesia Declaration to broader practices of collective bargaining, active labour market policies and ‘flexicurity’.



## **Climate Strategies: JUST TRANSITION FOR ALL – ANALYTICAL EVIDENCE Background materials for a side-event on 3.12.2018 at the COP24 [37]**

The following are extracts of key messages from this compendium of academic research.

### **1. Just transition pathways in major coal economies:**

Findings from the coal transitions project (Jesse Burton, University of Cape Town on behalf of “Coal Transitions” project). Lessons from the literature and case studies find, firstly, that social dialogue is an important condition for appropriately supporting workers and communities to manage the transition in a way that does not exacerbate existing fragilities. Second, that in broad terms transition assistance needs to consider both narrow and broad interventions that target both the creation of decent work opportunities for fossil fuel workers and broader economic development activities for coal regions.

### **2. Coalitions and movements around just transition:**

Challenges and successes in the U.S. (Lucy Stone, Agulhas). When determining the boundaries of who is included in just transition programmes, five categories of people should be considered: (1) the fossil fuel workers (direct workers); (2) workers in the supply chains of fossil fuel industries (indirect workers); (3) communities based around a fossil fuel industry or employer; (4) fossil fuel workers in other countries or in geographies outside the policy area who will be adversely affected by the policy; and (5) “frontline communities” – low-income communities and communities of colour who are disproportionately affected by the current energy and economic system.

### **3. Five factors for implementing a successful just transition for all** (Heidi Peltier, University of Massachusetts).

These factors are:

- i. Job retraining and skills development.
- ii. Early retirement and financial compensation for workers who cannot retrain or relocate.
- iii. Infrastructure projects that stimulate broader regeneration.
- iv. Regional support schemes to build enterprise capacity, skills and innovation
- v. Stakeholder participation and dialogue.

### **4. The global impact of the green transition**

(Catherine Saget, ILO Research).

Policies need to tap into synergies between social protection and environmental policies which support both workers’ incomes and the transition to a greener economy. Urgent action is needed to anticipate the skills needed for the transition to greener economies and provide new training programmes. Environmental laws, regulations and policies need to include labour issues. Social dialogue is required to allow employers and workers to participate in the political decision making process alongside governments.

### **5. Assessing ambition and inclusiveness of different just transition approaches**

(Dunja Krause (UNRISD/Just Transition Research Collaborative).

Not all stakeholders share the same idea of what a just transition should look like, or how and by whom it should be accomplished. Instead of leading to an alignment of peoples’ views, the concept’s growing popularity has led to an expansion of its meanings. This makes it more difficult to clearly identify what just transition stands for and raises a number of critical questions regarding the kind of transition we want.

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