

Incorporating just transition strategies into developing countries NDCs and Covid-19 responses

Comparing insights from Ghana, Colombia, and Indonesia



Table of Content

Introduction	7
Context	9
A Case Study Approach	10
Research Methodology	10
Case Studies	
Indonesia	11
Ghana	16
Colombia	21
Investors, Donors and MDBs	25
Conclusions	27
Recommended Guidelines	29
Outlook / Next Steps	30
References	30

Colophon

Authors

Andrzej Błachowicz
Nia Hunjan
Lillian Lochner
Azka Azifa
Aidy Halimanjaya
Tari Lestari
Kuki Soejachmoen
Kwabena A. Anaman
Ruth M. Quaye
Paul Anartey
Eduardo Uribe-Botero

Cite this report as

Błachowicz, A et al. (2021):
Incorporating just transition strategies into developing
countries NDCs and Covid-19 responses. Comparing
insights from Ghana, Colombia and Indonesia, Climate
Strategies

Project management Nia Hunjan, Zoe Rasbash,
Andrzej Błachowicz

Design Miesart - Michelle Haak

This paper was prepared as part of a project funded by
the European Climate Foundation.

Acknowledgements

We would like to thank the following individuals and institutions for providing valuable comments and review on the various versions of this paper:

Peter J Glynn
Geeta Morar
Angela Noguera Fey
Joyashree Roy
Maxensius Sambodo
Ying Zhang

Stockholm Environment Institute (Elisa Arond, Miquel Muñoz Cabré, Claudia Strambo)

Acronyms

ADB	Asian Development Bank	IFC	International Finance Corporation
AfDB	African Development Bank	ILO	International Labour Organization
AFOLU	Agriculture, Forestry, and Other Land Use	IMF	International Monetary Fund
CIF	Climate Investment Funds	IPPU	Industrial Processes and Product Use
COP	Conference of the Parties	JT	Just Transition
EBRD	European Bank for Reconstruction and Development	MDB	Multilateral Development Bank
G20	Group of Twenty	NDC	Nationally Determined Contribution
GDP	Gross domestic product	NPP	New Patriotic Party
GHG	Greenhouse Gas	PPP	Purchasing Power Parity
IADB	Inter-American Development Bank	SME	Small and medium-sized enterprises
		VAT	Value Added Tax
		WB	World Bank

Executive Summary

The just transition framework addresses the dual crises of climate change and inequality. Just transition principles must be far-reaching and multidimensional, addressing standing social and economic inequalities whilst taking care not to exacerbate them. It does this by placing workers and communities at the centre of the transition debate, involving stakeholders throughout the decision-making process. In a developing country context, where there is a diverse range of socio-economic and political structures, alongside a myriad of cultures, the meaning of just transition must be flexible to reflect differences in and between countries.

The **project objective** is to address the urgent need to introduce just transition strategies in the developing and least developed country context, aligning increased Nationally Determined Contributions (NDC) and just transition strategies with Covid-19 recovery responses.

This report advances the Climate Strategies research findings of the 2020 Reflections Paper: *Incorporating just transition strategies in developing country Nationally Determined Contributions*. By focusing our engagement at the national level, the recommendations in this report are designed to help guide the development of the national climate policy aspect of just transition. The research adopted a mixed-methods approach involving a review of the relevant literature, and case studies in three countries. The in-country methodologies used a combination of direct stakeholder engagement, which included semi-structured interviews, and surveys, tailored to their individual domestic circumstance.

The findings from each of the case studies established that:

- In-country research partners provide knowledge and understanding of the unique circumstances and nuances that guide policymaking in their country
 - The awareness and meaning of just transition across the three countries varied considerably.
 - o Colombia is the only country that explicitly includes just transition in its revised NDC, submitted to the UNFCCC in December 2020.
 - o Within the Indonesian government only one bureau in a specific ministry was familiar with the concept of just transition. This was due to their involvement in international events where just transition principles have been explored.
 - o In Ghana, there was awareness of the term 'just transition' but much like the Indonesian context
- just transition had not been explored or adapted by government officials to suit the country context.
- Methods for stakeholder engagement were tailored to each context to engage different actors in different contexts. This stage of the project found that more informal methods of engagement proved to be the most successful.
 - The in-country partners each developed their own definition of just transition, to reflect the country context to effectively communicate and explain the benefits of employing just transition strategies in their country.
 - To further stimulate discussion and knowledge-sharing with stakeholders, the Indonesian research partners began each engagement with a presentation contextualizing just transition.
 - One of the biggest challenges in creating just transition strategies in developing countries is the high incidence of the informal economy – which looks different in different contexts and must be engaged with in a way that suits the context.
 - The research also began the process of engaging with donors, investors and Multilateral Development Banks (MDBs) as both a financial and knowledge resource to facilitate the inclusion of just transition strategies by governments as a basis for inclusive stakeholder dialogue with affected communities.
 - In relation to Covid-19, each country has been affected and immediate government responses have been similar providing support to the most vulnerable. Each has implemented emergency fiscal packages to address the health impact, provide relief to households and firms. The pandemic and its responses have acted as a barrier in all cases to stakeholder engagement.
 - Covid-19 response measures have not yet been linked to climate adaptation and mitigation strategies.

Executive Summary

The report concludes with three major findings/ideas which are presented in the Venn diagram (Figure 1). Firstly, it highlighted the importance of establishing and maintaining relationships with relevant stakeholders to enable **ownership of just transition** in a specific national context. Secondly, this project has shown the importance of local knowledge, expertise and contacts through the in-country partners to place people at the centre of just transition. By **collaborating and co-producing** climate strategies they can also address current and potential inequalities. Finally, the study emphasised the need to extend the scope of just transitions beyond developed countries and **realise the global scope of the just transition** concept. The study gave some indication as to which actors are interested in being involved in discussions around what just transition means in the local context and how just transition measures may be implemented. Challenges such as significant informal workforces add a crucial component to transforming the economy in a just way that need to be recognised and integrated into the approach to just transitions.

The study identified some key guidelines and recommendations for national governments. These can help inform the approach to technical and capacity building support and stakeholder engagement, including the informal economy (Figure 2).

As has been found, there is no one model fits all, each country circumstance is unique, and the meaning of just transition must be adapted accordingly. Just transition concepts in developed countries, for instance, exclude what in many developing countries is the predominant



Figure 1: Key findings of the study

sector of the workforce, the informal sector. This needs to be taken into consideration, alongside other factors such as institutional barriers, financial challenges and barriers around inclusive social dialogues.

The next stage of the project will work with nine in-country partners, selected for their diverse environmental, social and economic national circumstances. This diversity will provide a more comprehensive range of experiences from which governments and civil society in other countries can draw from for guidance.

Executive Summary

Guiding principles for national governments

Institutional foundations for a just transition



- Draw on technical capacity building support from organisations outside government to:
 - Assess the level of awareness of Just Transition of key personnel engaged in climate policy.
 - Provide capacity building to enable informed participation.
 - Support government departments to conduct detailed research and modelling to understand what is technically required for a low-carbon transition
- Engage a wide range of Ministries (e.g. mining and energy, climate and environment, finances, labour, agriculture), provide knowledge capacity building, and remove any barriers to the effective exchange of knowledge and the complementarity of policy across Ministries.
- Link Just Transition strategies already embedded in government policies across portfolios to climate policies and implementation programmes.
- Engage with donors, investors and MDBs regarding technical and financial facilities.
- Identify a dedicated government department or official whose sole responsibility is to ensure a fair and inclusive transition.
- Form a stakeholder and government Just Transition working group to co-produce just transition strategies, policies and measures.

Socially inclusive process

Participatory decision making



- Identify non-government stakeholders to facilitate stakeholder dialogues and co-produce suitable and effective JT strategies.
- Ensure buy-in across all government and non-government stakeholders.
- Through inclusive engagement, identify ways to address the social and equity needs of stakeholders through JT strategies.
- Development of a labour market plan, structural transformation plans for affected communities, plans to address social and economic inequalities through an inclusive and participatory process involving a wide range of stakeholders.
- Create a priority list of just transition opportunities and needs, including associated timelines, short and longer term.
- Adopt a definition of Just Transition that suits the country specific context through stakeholder engagement stakeholders to shape the definition of the problem, priorities and measures.

Figure 2: Guiding principles for national governments

Introduction

The transition towards a low-carbon and climate-resilient world must happen at an unprecedented scale and pace. Although many high-carbon sectors such as the coal industry are already experiencing structural transitions, the move must be cross-sectoral and economy-wide to achieve the ambitious targets set at international climate agreements.

The just transition framework addresses the dual crises of climate change and inequality. Just transition principles must be far-reaching and multidimensional, addressing standing social and economic inequalities whilst taking care not to exacerbate them. It does this by placing workers and communities at the centre of the transition debate, involving stakeholders throughout the decision-making process. To ensure this it is important to build the capacity of various communities to participate at different levels of government. There will be several trade-offs in the low-carbon transition with opportunities and challenges falling disproportionately at the national, community, industry and individual level. As different stakeholders prioritise different issues, it is important that diverse perspectives are considered. Stakeholders include:

- representatives of government involved with the development of climate policies and related international commitment, such as the NDC Focal Point, with other related Ministries,
- sub-national governments to shape regional economic diversification, mobilise financial resources and support the implementation of just transition measures,
- trade unions, formal and informal workers and employers,
- representatives of gender, youth, indigenous peoples, ability, and marginalised communities
- communities affected by energy transitions.

With its origins in the 1970s North American labour movement, the just transition approach continues to gain popularity with the workers and environmental movements. At COP24 in Poland in 2018, the Polish presidency prepared the 'Solidarity and Just Transition Silesia Declaration' which called upon parties to commit to a just transition. It was noted by the presidency that:

“The implementation of a solidarity-based transformation will help to generate and maintain public support for policies to reduce emissions. This, in turn will enable their successful implementation, which is a prerequisite for achieving global climate policy objectives.”¹

Since then, the discussion around just transition has gained traction especially in the fossil fuel industry, where a transition is already underway. Within public discourse there are two prominent narratives around a just transition, the first referring to a moral need of leaving no one behind. The second captures the political need to reduce resistance to change amongst those that have the potential to be disadvantaged during the transition.²

The just transition debate and policies, however, remain within the developed country context with little exploration or practical application in a developing country context¹. Developing countries, although diverse and heterogenous, have several unique features that are currently absent from the just transition framework. Due to high levels of unemployment, in this context just transition policies must focus on job creation as well as job transformation. In addition, developing countries often have a higher incidence of those living in remote or rural communities, where a lack of energy access is still a major issue. Just transition strategies should also address the issue of poverty and can be used to redistribute resources in the absence of adequate social welfare systems.

Furthermore, in developing countries there are often high levels of economic dependency on the production or export of fossil fuel resources and low levels of economic diversification. When considering just transition strategies in these countries it is worth noting that they

1. Exceptions to this include South Africa and India often in the context of coal but also wider transition issues. For instance, [South Africa](#) has strong institutional support of just transition strategies through inclusion in national policies, including the National Development Plan and Nationally Determined Contributions (NDC). Just transitions in India have been highlighted, for example, through a [case study](#) conducted by the Climate Investment Fund examining its engagement in India from the perspective of understanding and enabling just energy transitions at the national and local levels. Notably, just transition strategies are not always referred to as just transition, for example in China, where many actions and measures taken by central and local governments to deal with employment impacts created during energy or economic restructure, aim to achieve just transitions to some extent. For example, to conduct the supply-side structural reform initiated since 2016, China has made special effort to help influenced workers find new jobs.

Introduction

will be at least somewhat contingent on policy changes in developed countries. Another challenge when attempting to apply just transition principles in developing countries is the significance of the informal economy where in many developing countries at least 60%³ of the workforce is employed. Although the informal economy looks different in each country context, it is often the case that its workers are undocumented and cannot rely on the state for support in times of need, or crisis. For a just transition, it is essential informal workers are brought into the conversation and part of the decision-making process – a method that must be tailored to each individual country.

The objective of this project is to provide evidence and insights to support the introduction of just transition strategies in developing countries, promoting better integration of Nationally Determined Contributions (NDCs) and Covid-19 recovery responses. This report explores this through the case studies of Colombia, Ghana and Indonesia, the findings from which can provide useful insights for countries with similar characteristics. This resulted in several recommended guidelines to inform national governments in developing countries, in particular NDC focal points who wish to incorporate just transition strategies.

NDCs are the climate action plans and commitments made as part of the Paris Agreement. However, when the agreement was adopted in 2015, Climate Action Tracker estimated that these contributions would miss the mark of less than 2°C with the ambition of achieving 1.5°C and in fact lead to around 2.7°C of warming.⁴ In 2020, the five-year anniversary of this agreement, countries were set to renew their contributions. However, due to the Covid-19 pandemic this process has been delayed. By incorporating just transition strategies, along with other climate policies, in their renewed NDCs, countries will address the urgency, scale and transformative nature that climate plans must follow.

The just transition can also address the inequalities that are the result of the Covid-19 pandemic and respective lockdown measures.⁵ The World Bank has estimated that the pandemic could drive up to 100 million people into extreme poverty.⁶ Although most developing countries designed fiscal packages in immediate response to the situation, to support the most affected sectors and most vulnerable communities – the fallout and challenges caused by the pandemic will be severe and long-lasting. Whilst many richer or more developed

countries have cultivated narratives of a green recovery, which is including long and short-term climate priorities in rebuilding from the pandemic⁷, many developing countries must instead channel resources directly into the crisis. The pandemic has both caused and deepened existing inequalities. This, combined with volatile prices and uncertain markets for fossil fuels, also highlights countries' and regions' vulnerabilities in facing the energy transition. This was brought to light at the June 2021 International Labour Conference which saw delegates from 181 countries representing governments, workers, and employers, adopting a 'Global Call to Action for a Human-Centred Recovery' to the pandemic. The ILO Director-General, Guy Ryder is quoted:

“Unless we specifically address the inequalities that have deepened during this crisis there is a very real risk that the economic and social consequences will cause long-term scarring”⁸

Developing countries can gain much from embracing the idea of a just transition. By considering the concerns of specific groups, governments can devise climate policies which cannot only reduce emissions, but also decrease levels of poverty and existing inequalities – which have increased due to the pandemic and respective lockdown measures.⁹ As the case studies in this report will show, marginalised groups such as informal workers in Ghana are not only concerned by the impact of climate change, but also express interest in sharing their views and having them incorporated into just transition strategies. For governments, there is an opportunity to take ownership of adapting the just transition concept to the respective needs of their people and economies.

Building on earlier findings and research such as desk-based literature reviews, focus groups, and interviews carried out by country partners in Ghana, Colombia and Indonesia, this report first introduces the context of the issue. The case studies focus on observed challenges in just transitions, the role of informal workers in just transitions and to what extent governments consider just transitions in their climate policies. It then explores the role of investors, donors and Multilateral Development Banks (MDBs) in promoting just transition strategies in developing countries. We then identify commonalities between countries before offering a set of guidelines on how governments and stakeholders can respond to some of those common challenges.

Box 1. Findings from the Climate Strategies 2020 Reflection Paper: Incorporating Just Transition strategies in developing country Nationally Determined Contributions

The current research builds on findings reported in the 2020 Reflection Paper, including:

1. There is little consensus around the meaning and implications of the just transition concept. This creates barriers to its understanding, acceptance, and introduction into policy.
2. There is limited understanding of how the just transition concept can be applied in developing countries.
3. Engagement with stakeholders and government is essential to the delivery of just transition and is currently limited.
4. Capacity within government and stakeholder groups must be enhanced.
5. Labour market planning in response to climate policies often lies with the environment portfolio. However, government departments frequently operate in silos and do not adequately communicate with each other.
6. Governments are looking for guidance and require tools; and
7. There is no one-size-fits-all approach. Models for introducing just transition principles need to be responsive to domestic circumstances.

To reach the targets enshrined in the Paris Agreement whilst maintaining social and political support, global transitions must be both rapid and fair. In the Reflection Paper¹⁰ prepared by Climate Strategies following COP25 in 2019, we identified barriers and possible pathways to guide the implementation of just transition strategies in developing countries (as shown in Box 1).

The Reflection Paper reported on the lack of practical information on how just transition principles can be applied in developing countries, with the existing literature focusing overwhelmingly on developed countries. There is a need to advance the development and conceptualisation on just transitions to consider the heterogeneous and diverse contexts of developing countries. This includes practical recommendations on the integration of just transition into NDCs and Covid-19 responses, and the provision of resources to governments, donors, investors, and MDBs. Resources to governments include funding, technical assistance and guidelines to implement just transition by engagement stakeholders. Resources for donors might include guidelines, while resources for investors might comprise data on how just transitions affect investments, or on changing regulatory environments which may shape the investment market.

This stage of the project aimed to bring together researchers, governments and other stakeholders to establish relationships essential for long-term integrated transition planning. Through a process of nationally tailored engagement, our goal is to create national “communities of practice” which will continue contributing to follow-up work in 2021-2023. A key focus in the coming years will be developing strategies to support the inclusion of informal workers, as they are currently absent from just transition dialogues, and remain unprotected to various extents in Covid-19 response packages.

The next stage of the project will include case studies in nine countries in total. We will continue working with the partners in Ghana, Colombia and Indonesia in their respective countries and also introduce six new countries selected for their diverse environmental, social and economic circumstances. This diversity will provide a more comprehensive range of experiences from which governments and civil society in other countries can draw from for guidance.

A Case Study Approach

Just transition strategies encompass transformations that will involve a diverse range of actors. These strategies are also highly localised and context-dependent and stakeholder engagement should therefore take place at the level at which the strategies are being developed. By focusing our engagement at the national level, the recommendations in this report are designed to help guide the development of national climate policy aspect of just transition. In this way, our aim is that countries can tailor just transition approaches to suit their own national requirements and incorporate them into their NDCs.

One of the limitations of this study was the focus on the national level. In the next stage of our project there will be a focus on the subnational level, as subnational authorities and local actors play an essential role in just transition.

Three countries were selected for their diverse geographical, environmental, governance, cultural and socio-economic circumstances. Indonesia, Ghana, and Colombia each have many different features that are not addressed in current just transition approaches such as high levels of informal workers, areas of energy poverty and cultural actors such as indigenous peoples

and traditional leaders. While we find that just transition strategies need to be tailored to each country's unique circumstances, the findings from the case studies can provide useful insights for countries with similar characteristics.

Collaboration with in-country partners^{II} was essential to ensure the project's engagement with domestic intellectual knowledge and understanding, and with interested actors. In each country we partnered with climate policy researchers with significant experience in engaging with the climate change policy process in their country.

Research Methodology

The research adopted a mixed-methods approach involving a review of the relevant literature, and case studies in three countries. The in-country methodologies used a combination of direct stakeholder engagement, which included semi-structured interviews, and surveys, tailored to their individual domestic circumstance.

Each case study provides details of their specific stakeholder engagement methods. At this stage of the project they focused on the national development priorities and their stakeholders, and in the next stage this will be extended to provide a more holistic, cross-sectoral approach.

II. In-country partners for this research were: Dala Institute for Environment and Society in Indonesia, the University of Ghana, and Fedesarrollo in Colombia.

Indonesia

Case Study



Case Study Indonesia

The case studies below summarise and analyse research carried out by the in-country partners.

\$12,334

GDP per capita (purchasing power parity, PPP)

7th largest economy in the world

(GDP PPP), and largest in SE Asia



270m

population



38.2

Gini coefficient, 2019

Presidential Republic

political structure



10.19%

population below poverty line

Major Industries

petroleum and natural gas, textiles, automotive, electrical appliances, apparel, footwear, mining, cement, medical instruments and appliances, handicrafts, chemical fertilisers, plywood, rubber, processed food, jewelry, and tourism

Distinguishing economic factors

Large scale deforestation; over exploitation of marine resources; shift to development of industrial capability



57%

of workers are informal

Sources: World Bank 2020; BBC Country Profiles 2020, CIA World Fact Book 2020

Overview

Prior to the Covid-19 pandemic Indonesia experienced significant development, having reduced its poverty rate by over half since 1999.¹¹ It is one of the most populated countries in the world, and faces several challenges surrounding social and economic inequalities. The benefits of decades of recent growth have been shared unequally, leaving many behind, notably rural communities. Oxfam

reports many Indonesians live only just above the poverty line, with the richest 1% of the population owning 49% of the country's wealth.¹² In addition, Susenas reports that only approximately 10% of Indonesians consumed more than \$10 per day in 2021.¹³ Employing a just transition strategy can provide Indonesia with several co-benefits including continued economic growth and poverty alleviation.

Case Study Indonesia

To combat climate change, continue economic growth and lift its people out of poverty, Indonesia must ensure a just transition for its transformation to a carbon neutral economy by 2060.¹⁴ This transition is complex and has huge potential to minimise inequalities in the country. By employing a just transition lens, Indonesia can bring different stakeholders to the table to be involved in the decision-making process. For example, in the energy sector, Indonesia continues to subsidise fossil fuels which not only slows down decarbonisation but also widens the inequality gap (as the profits mainly go towards the wealthy). A just transition in this case is needed to bring diverse stakeholders to the table and to achieve social and political approval. The research found that many non-governmental actors such as labour unions and think tanks were already familiar with the concept of just transition, as they have been actively involved with several just transition-related initiatives at both the national and local level. Within government it was found that certain governmental institutions were familiar with the concept of just transition. The first, the Bureau of Foreign Cooperation in the Ministry of Manpower had been involved on international discussions on just transitions, including the side event of the COP25 in Madrid organised by the ILO. The second, The Ministry of Environment and Forestry, the NDC focal point of Indonesia, were also involved on an international level, at the Katowice COP24 in 2018. Here the Ministry of Environment and Forestry supported the Silesia Declaration through both a written statement and a presence at the event.

Although these Ministries are familiar with the concept of just transition, the concept has not been explored or applied to the national country context. In addition, the term 'just transition' itself may seem imported and unclear, which is demonstrated by research undertaken by the Dala Institute who found the term once misinterpreted as meaning a 'mere' transition.

Consequently, the first step of stakeholder engagement was informal, with open discussions and knowledge-sharing. Utilising personal contacts and local knowledge, capacity building was carried out in the form of informal meetings and webinars. Stakeholders consulted for this initial stage of the research include:

- the Ministry of Environment and Forestry,
- the Ministry for Cooperatives and SMEs,
- the Ministry of Tourism,
- the Ministry of Manpower,
- the Confederation of All Indonesian Trade Unions, and
- the Institute for Essential Services Reform.

To increase the understanding of just transition in the domestic context, stimulate discussion and improve the confidence of government officials taking the lead on the subject, a presentation was delivered by the researchers to stakeholders prior to each meeting. This included the background and history of just transition, the importance of just transition in the domestic context, and case studies of just transition implementation around the world. To communicate the meaning a working definition below was adopted:

“In the Indonesian context, just transition is a way to manage changes in human aspects responding to climate change, both in reducing emissions and adapting to its impacts, as an integral part of the transition to achieve national development priorities and low carbon development.”

Case Study Indonesia

Box 2. NDC and Just Transition commitment

Indonesia is signatory to the Silesia Declaration¹⁵ and in 2019 the Ministry of Labour issued the Bogor Declaration as a tripartite commitment to respond to climate change and secure a just transition.¹⁶

The three parties involved include the government, employers and trade unions. As part of this process, trade unions were consulted for drafting the 2050 Long-term Strategy on Low Carbon and Climate Resilience which explicitly incorporates just transition. Although the Indonesian government have set out several low-carbon objectives in their Government National Development Plans, it is noted that the pathway to reach these targets is yet to be elaborated or explained concretely. Thus, stronger leadership and commitments are needed on this front, by both national and local authorities.

In addition, the Indonesian government continue to subsidise fossil fuels, which not only slows down the transition to a low-carbon economy but also widens the inequality gap as the subsidies are mainly enjoyed by the wealthy. Due to Covid-19 and

to maintain political support it is unlikely that the government will reduce these subsidies.

The current NDC and the draft of the updated NDC do not explicitly mention just transition. There is a possibility that the updated NDC will explicitly mention just transition, but that will only be confirmed once the document is published. Just transition strategies should be cross-sectoral and as climate change programmes in the agriculture, forestry and other land use (AFOLU), energy and transport sectors, and for waste and industrial process product use (IPPU) are being developed, just transitions strategies should be considered. These are in line with the government's climate change priorities and will feed into Indonesia's upcoming NDC. A challenge identified as part of this research is the need to coordinate between different governmental departments involved in climate policies and labour issues. Ministries often seem to operate in silos without effective cross-ministerial coordination.

Conclusions and Next Steps

To mainstream and develop just transition in Indonesia, there must be continued knowledge-sharing and cross-ministerial coordination on the issue. It is, for example, important that sectors like tourism, which is largely impacted by climate change and employs millions of Indonesians, are included in the country's just transition conversations and policies. Also, it is vital to include other relevant ministries such as the Ministry of Cooperatives and Small and Micro Enterprise. To accelerate this mainstreaming, a working group around just transition for climate action should be initiated to engage different ministries and other non-governmental actors that are less familiar with the issue.

The Ministry of Environment and Forestry as the NDC Focal Point needs to strengthen its ownership of just transition initiatives and play a more active role in leading the formulation of the just transition agenda and its delivery. In addition, leadership on just transition must not only be at the government level, but also at the regional and village levels if it is going to be successful. In practical terms, the Ministry of Manpower has stated that they welcome support from external actors, such as the Dala Institute, to support them in preparing planning documents on the impact of climate change on the labour sector and in promoting the issue of just transition as part of the G20 meeting, which Indonesia is hosting in 2022.

"I really appreciate Dala for initiating this discussion. Of all the issues in the Paris Agreement, this issue is the only one which has not been discussed," Director of Climate Change Mitigation, Ministry of Environment and Forestry, Indonesia

Case Study Indonesia

Box 3. Covid-19

The global crisis caused by the Covid-19 pandemic has brought difficulties for Indonesia. Between March and September 2020, official statistics reported an increase in those living in poverty by one million people from 26.42 million to 27.55 million.¹⁷ In response, the Indonesian government implemented an emergency fiscal package, disbursing a total of \$40,188,141,240^{III} (about 3.8% of GDP) as part of a national economic recovery program (Pemulihan Ekonomi Nasional or PEN)¹⁸.

The Ministry of Manpower is currently focused on those sectors hardest hit by Covid-19, such as the

tourism sector, which accounts for 10.5% of the national workforce¹⁹, of which 50% are informal workers. Some ministries have diverted their budget on capacity building and training programs to improve labour skills, however this is not linked to climate action or the just transition. Although in many cases the impact of Covid-19 has provided momentum to accelerate the low-carbon transition, in Indonesia it is only making the government more careful to encourage this transition. Therefore, currently the Indonesian government's Covid-19 responses are not linked to strategies to manage climate change impacts and its NDC commitment.

Box 4. Informal Economy

The informal economy makes up 57% of the employment profile, with the main occupations divided into rural and urban workers. The former is predominantly based in agriculture, and the latter often salaried without formal contract (day labour, construction; recurring labour, domestic live-in); or employed by their own account (platform-based technology; location based, transport, delivery, household). Despite

constituting to a significant sector of the workforce there is no dedicated institution that deals with or represents the informal economy. It remains a cross-cutting and cross-ministerial issue, making coordination between government institutions mandatory on the inclusion of the informal economy in just transition and climate policy.

III. 579,800,000,000,000 Indonesian Rupiah. Exchange rate on 25th June 2021: 1 Indonesian Rupiah equals 0.000069 United States Dollar

Ghana

Case Study



Case Study Ghana

The case studies below summarise and analyse research carried out by the in-country partners.

\$5,652

GDP per capita (purchasing power parity, PPP)

Second largest economy in West Africa and eighth largest in Africa



30.4m

population



43.5

Gini coefficient, 2017

Presidential Republic

political structure



23.4%

population below poverty line

Major Industries

mining, lumbering, light manufacturing, aluminium smelting, food processing, cement, small commercial ship building, petroleum and petroleum products

Sources: World Bank 2020; BBC Country Profiles 2020, CIA World Fact Book 2020

Distinguishing economic factors

Agriculture employs 42% of the workforce and contributes 20% to the GDP; Ghana is an exporter of agricultural products; second largest exporter of cocoa in the world; exporter of minerals and has been an exporter of crude oil since December 2010



86.2%

of workers are informal

42%

of workforce employed in the agricultural sector

Sources: World Bank 2020; BBC Country Profiles 2020, CIA World Fact Book 2020

Overview

Over the past 28 years, Ghana has achieved significant economic growth, coupled with a move toward democracy under a multi-party system as well as a significant reduction in poverty levels.²⁰ Ghana is now the second-largest economy in West Africa with the largest growth in the services and industrial sectors.²¹ However, Oxfam reports that the fiscal and socio-economic pol-

icies that have fuelled this growth have in fact exacerbated pre-existing inequalities, with the richest taking a disproportionate share of the benefits of the nation's growth and wealth.²² Environmental degradation has also worsened considerably, with illegal mining activities (known in Ghana as *galamsey*) polluting the countries once pristine rivers.

Case Study Ghana

Just transition is important in the Ghanaian context as it will ensure an inclusive transformation to a zero-carbon economy, addressing both the climate crisis and inequality. Concerning the term – just transition – it was found that the relevant government officials were knowledgeable of the term but did not share its meaning. Although many non-governmental stakeholders were not familiar with the words ‘just transition’, they expressed the need for climate policies to be implemented in a *just* manner.

The process of stakeholder engagement was iterative and included various and diverse stakeholder groups. It was quickly established that engaging government and non-government stakeholders in a formal setting would not be effective. Instead, different approaches to engagement that were more informal were created for different stakeholder groups.

Members of the informal sector were selected randomly and engaged using a combination of surveys and face-to-face interviews. The interviews were done personally

at the homes or sites of the workers based on identification using their mobile phone numbers. In total, the research team collected data from 40 workers in two peri-urban districts in Accra. With the traditional councils there were two rounds of visits with four paramount chiefs (two matrilineal and two patrilineal). Per population, Ghana is divided almost equally into matrilineal and patrilineal cultural systems. In addition, personal interviews were conducted with twelve leaders of organisations in the formal sector. Despite repeated visits to government officials, many were unwilling to provide information as the study did not originate from the government directly and instead being from an academic institution. This was a resource and labour-intensive process that involved 30 visits over two months.

To communicate and share knowledge, The University of Ghana adopted this definition of just transition which could be understood by all irrespective of their academic backgrounds or involvement in climate change issues:

“Just transition climate change strategies were those policy initiatives and societal adaptation responses to combat climate change and its effects being implemented by the government and society, in general, which would ensure the protection of workers’ rights, environmental sustainability, and the inclusive participation of all citizens towards the achievement of sustainable development through gradual steps and actions.”

Box 5. NDC and Just Transition Commitment

There is no explicit mention of just transition strategies in Ghana’s current NDC. The key departments of the government dealing with climate change policies are agriculture, energy, forestry, waste and health. In its NDC²³ to the UNFCCC the Ghanaian government proposed 20 mitigation and 11 adaptation programmes to be implemented between 2020-2030.

The research for this report revealed limited knowledge of and stakeholder engagement on just transition strategies. Among labour groups consulted, only the Ghana Trades Union Congress made some efforts for developing such strategies. In terms of consulting relevant stakeholders, the Environmental Protection Agency engaged selected sections of the informal sector, but engagement has so far remained limited.

Case Study Ghana

Box 6. Covid-19

In 2020, the government spent about 2.1% of GDP on its Covid-19 response, of which 0.3% was for healthcare. It was found that 65% of the informal workers surveyed during the engagement process had heard of stimulus packages provided by the government in response to Covid-19. However, only 1.25% of the respondents indicated they had received assistance from government stimulus programme, even though 88% of surveyed informal workers reported a drastic drop of sales because of lockdown measures. In contrast, representatives of formal institutions taking part in consultation for this research did not report direct economic impacts as all of them kept their jobs.

Reasons cited by informal workers for not receiving support included bias in distribution of government assistance towards supporters and members of the ruling party, with the New Patriotic Party (NPP) receiving the most support, potentially linked to the 2020 elections. Other factors included the lack of a tax identification number, and transportation / logistical problems affecting the movement of government workers and service providers. The assistance required by the informal sector workers was mainly in the form of financial support such as grants and loans (declared by 93.5% of respondents) and business training (indicated by 73.5%).

Conclusions and Next Steps

The research revealed there is a high level of knowledge of climate change and its impacts among all stakeholders surveyed. However, the study uncovered an imbalance of knowledge between stakeholders when it comes to climate policies and just transition strategies. Informal sector workers indicated they had hardly heard of just transition strategies while playing only a marginal role in developing climate policies.

The high share of the informal economy makes labour planning difficult, and just transition an even larger challenge. However, concerning climate policies, the government should engage with both the informal sector and the Traditional Councils that will be directly affected. The

survey among informal sector workers indicated there is strong interest in sharing their perspectives with the government. One way to engage informal workers could be to invite them to bi-annual district town hall meetings, organised for example by the Environmental Protection Agency. To respond to existing knowledge gaps, the government could increase its role in educating informal sectors workers and Traditional Councils on climate policies and just transition strategies. Similarly, the government needs to consider the hardship experienced by informal workers and traditional communities through lockdown measures. While they were in theory eligible for crisis support programmes, only a miniscule share of them was able to receive support.

Box 7. Traditional States and Traditional Councils

The 190 Traditional Councils in Ghana represent the Traditional States, which have existed for hundreds of years and pre-date the British colonial rule starting in 1844.²⁴ Traditional States are widely recognised as the custodians of the land, natural resources, and water bodies. However, they are largely marginalised in the development of climate change policies and strategies in Ghana. For this study, the in-country research team spoke to four traditional leaders, two Paramount Chiefs and two Paramount Queen Mothers. The traditional leaders noted that climate change had direct impacts on agriculture and water bodies and affected the export-based

and manufacturing industries in Ghana. The traditional leaders were not aware of just transition strategies to climate change as formally announced or published by the government. However, they all suggested that climate change strategies needed to be introduced and implemented in a just and sustainable manner so as not to severely disrupt the lives of their citizens and were generally appreciative of the spirit underlying the just transition climate change strategies. For a just transition in Ghana, these stakeholders must be included in the decision-making process, and the government and local authorities must make the provisions to do so.

Case Study Ghana

Box 8. Informal Economy

Informal sector workers account for about 86 to 88% of the labour force in Ghana. They are largely self-employed persons such as farmers, traders, food processors, artisans, and craft-workers. The sector consists of varied activities. In rural Ghana, informal sector work mainly involves agriculture (75%), fishing and fish processing as well as agro-based processing. In contrast, more urban workers (43%) are engaged in non-agricultural activities. Over half of the employed (55.9%) are own-account workers (self-employed); 20.4% are employed in family enterprises and 17.6% are wage employees.

More urban workers are engaged in non-agricultural activities whereas their rural counterparts work mainly in agriculture. Most self-employed people work in agriculture and are sole proprietors. This is followed closely by contributing family workers in agriculture (without employees). There are also em-

ployees, contributing family workers and apprentices engaged in non-agricultural economic activities.²⁵

Results from the survey indicate informal sector workers have a high level of knowledge of climate change and its impact. 80% of them indicated they were aware of the issue. Most of them (80%) said climate change affected their work, with 73% indicating that the changing climate resulted in decreased agricultural production.

Nearly all informal sector workers surveyed (93%) said there were no policies to protect their businesses from climate change. Only 4% indicated they were involved in developing relevant policies. Informal sector workers were keen on being consulted by the government on policy development, with 80% describing this involvement as very important.

Colombia

Case Study



Case Study Colombia

The case studies below summarise and analyse research carried out by the in-country partners.

\$15,634

GDP per capita (purchasing power parity, PPP)



51.3

Gini coefficient, 2019



50m

population



4.2%

population below poverty line

Presidential Republic

political structure with elections in August 2022

Distinguishing economic factors

Heavily dependent on energy and mining exports. Also third largest coffee exporter, AFOLU (deforestation)

Major Industries

textiles, food processing, oil, clothing and footwear, beverages, chemicals, cement; gold, coal, emeralds



62.3%

of workers are informal 2017

Sources: World Bank 2020; BBC Country Profiles 2020, CIA World Fact Book 2020

Overview

In recent decades, socio-economic conditions in Colombia had been improving remarkably. Between 1973 and 2018 the percentage of people with unfulfilled basic needs dropped from 70.5% to 14.1% and between 2005 and 2019, the GDP per capita went from nearly \$11.95 to \$4,645.05.^{IV} In addition, access to education has increased significantly^V and over the past decade poverty has halved.²⁶ Likewise, the coverage of the National Health System has grown to the point that today most of the population is covered^{VI} and there have also been important improvements in relation to food security.^{VII}

Although the economy has grown since the turn of the millennium, productivity growth is low due to several factors, including low-skilled workers, low trade integration and high barriers to domestic competition. Despite being considered an upper-middle income country, Colombia is still among the top 20 most unequal countries in the world by income inequality. Non-renewable commodities including oil and coal make up most of Colombia's exports, which make it vulnerable to sharp drops in commodity prices. The recent and severe decline of global thermal coal prices has led to massive layoffs in the formal coal sector, met with no response from the government.

IV 45,000 to 17.5 million Colombian pesos. Exchange rate on 25th June 2021: 1 Colombian Peso equals 0.00027 United States Dollar

V Between 2002 and 2017 gross coverage went from 23.7% to 52.8%

VI The coverage of the System of Social Security in Health went from 29.2% in 1995 to 94.6% in 2018.

VII Between 2010 and 2015 the percentage of families with food insecurity went from 57.7% to 54.2%.

Case Study Colombia

The concept of just transition is known to the Ministry of Environment and Sustainable Development and govern-

ment and in Colombia's revised NDC just transition is explicitly mentioned:

“The just transition will seek to contribute to improving the quality of life and the social and economic inclusion of the population, guaranteeing not to leave anyone behind and counting on a social dialogue that links participation of employers, workers and government, as well as active citizen participation in its design and implementation.”

Alongside this contribution the Colombian government has adopted policies to diversify the economy and to favour the creation of new jobs in the non-extractive sectors. It has also made a commitment to develop a just transition strategy by the end of 2023 and has demonstrated a willingness to engage stakeholders in the processes.

The engagement with stakeholders was ongoing, with Covid-19 measures acting as a major practical barrier to the process. It was deemed early on that the combination of travel restrictions due to Covid-19, and the concern that antipathy and the power imbalance amongst certain stakeholders would impact and distort outcomes. It was believed that each of these factors

were best overcome by the privacy that an emailed questionnaire offered, however this method of engagement also proved unsuccessful. After further consolidation, the most effective and successful form of engagement proved to be personal interviews carried out between the researcher and stakeholder groups. In this way the project could be detailed and explained, and immediate questions and reactions could be addressed. The interviews found that oil and coal associations felt that a transition was not an immediate concern to them, however the union of workers in the oil industry (USO) did recognise that the industry should gradually migrate to the business of renewable energy. The interviews with representatives from indigenous groups were concerned that conservation policies would have a negative impact on their sovereignty over their ancestral territories.

Box 9. NDC and Just Transition Commitment

The main sources of GHG emissions in the country are associated with land-use practices, mainly deforestation and forest degradation, and with the consumption of fossil fuels by the energy and transport sectors. The agriculture, forestry and other land use category represents 50% of the national emissions. Energy use corresponds to 36% of national emissions.²⁷ Thus, most of the activities for emission reduction need to happen in those sectors.

In October 2020, the Government of Colombia presented for public consultation a proposal for the realisation of the National NDC. This government-led consultation process was coordinated by

the Inter-Sectorial Commission on Climate Change with the participation of public and private agents, academia and representatives of the civil society, including representatives of diverse ethnic groups, youth and women's organisations.

As a result of this process, the government published in December of 2020 the consolidated version of the NDC. This updated version of the NDC included a reference to just transition and includes a 2023 target for the Ministry of Labour to formulate a national strategy for a just transition of the workforce.

Case Study Colombia

Box 10. Covid-19

The government took action aimed at protecting lives and livelihoods and to support the economy and announced a sizable fiscal package for 2020 and 2021, totalling over \$8,228,959,300^{VIII} (or almost 3% of 2019 GDP). This included increasing the financial transfers for vulnerable groups through the expansion of existing programmes and the establishment of new ones (*Ingreso Solidario*, an unconditional cash transfer programme, and VAT reimbursements for low-income segments of the population), delayed tax collection in selected sectors, lower tariffs for strategic health imports, and help for hard-hit firms to pay employees²⁸. The government also set up special lines of credit and loan guarantees for

firms in sectors that have been deeply affected by the crisis, for example coffee and tourism. In addition, in 2020 the government promised to set aside \$120 million to help around three million informal economy workers who lack a financial safety net.²⁹ Despite the support programmes, the Covid-19 outbreak in Colombia has had devastating impact on the country, with thousands of lives lost. In addition, the country has seen the worst recession in almost 50 years, with exports in the coal and oil sectors declining due to lack of global demand. The composition and prominence on the exports sector is one of the major challenges Colombia faces when considering a just transition.

Conclusions and Next Steps

Much of the interventions by international agencies on just transition in Colombia are focused on the coal and oil sectors, whereas the biggest contributor to climate change is the AFOLU sector.^X The workers in the AFOLU sector are often informal, with much of the work being illegal and therefore undocumented. It is thus essential that the next stage of this project focuses on developing an engagement strategy for this sector. In addition, Colombia is also faced with the issue that many working in AFOLU are working illegally, with activities promoted, controlled, and protected by criminal organisations and no protection from the government.

Engaging the informal sector is crucial for developing the policies and processes behind Colombia's just transition strategy, as per its revised NDC. Knowledge-sharing and capacity building are important, hence it is essential that stakeholders are informed and have the resources to effectively participate in this process. The Colombian government is already engaging with the informal sector and has several strategies in place. The engagement with representatives from indigenous groups brought to light the harm and negative effects of climate actions, in particular conservation strategies over their rights to their ancestral territories. It is paramount that conservationists are engaged to achieve a just transition – to recognise and understand the rights of indigenous groups.

Box 11. Informal Economy

Colombia has one of the largest informal labour markets in Latin America with 62.3% of the workforce in 2017 working informally. These workers do not have a formal job contracts and do not receive the protection and the social benefits regulated by the labour legislation.

Most direct workers in the oil and gas sector are formal. However, in the coal industry, although workers hired by large mining operations are formal, informality is frequent in small and artisanal mining operations; particularly in those mines that do not hold formal mining rights. According to the Ministry of Mines, 17% of the medium-scale coal mines and

50% of small mines do not have legal mine rights and there is no data on the number of informal workers in small and medium coal mines. Most workers in the AFOLU sector, particularly working in the timber industry are informal. These include independent workers involved in both legal and illegal activities, with activities promoted, controlled, and protected by criminal organisations and no protection from the government. The clearing of forests for the establishment of precarious farming systems or illegal crops, the exploitation and overexploitation of forests for timber, and illegal and informal mining, are often economic options for informal rural workers lacking formal and sustainable alternatives.

VIII 31 trillion Colombian pesos. Exchange rate on 25th June 2021: 1 Colombian Peso equals 0.00027 United States Dollar

X The combined share of the agriculture and land use sectors of Columbia's GHG emissions was 146.57 MtCO₂e in 2018, higher than the energy sector's share with 91.75 MtCO₂e.

Investors, Donors and MDBs

One of the approaches taken by Multilateral Development Banks (MDBs) (see Figure 3 below) is working collectively through the Climate Investment Funds (CIFs) to develop new tools and frameworks that can assist key stakeholders in the implementation of just transition strategies. Boxes 12 and 13 show two of the significant initiatives which reflect both the importance associated with just transition, and the relative actions that are in progress.



Figure 3: Multilateral Development Banks

To gain an understanding of just transition in this field, six semi-structured interviews were carried out with donors and investors. The six organisations interviewed were: Asian Development Bank (ADB), African Development Bank (AfDB), Climate Investment Funds (CIF), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). It was found that all actors recognised climate change in their investments and project delivery, and often tailored their requirements to the specific economic, environmental, and social circumstances of the country. At this time just transition is not a specific requirement in lending and investments for these actors, however they are all actively engaged in the development of strategies. In Latin America, the IADB has adopted the Environmental and Social Safeguards of the World Bank (WB) and International Monetary Fund (IMF) but do not yet use just transition terminology.

The CIF introduction to its just transition initiative fairly describes the attitudes conveyed in our interviews:

“To address the challenges of climate change, countries will continue to transition away from emissions-intensive energy sources and take steps to build more resilient communities and economies. The importance of achieving a just transition in the face of this transformational change has grown in recent years as both the disruptive impacts of a changing climate and the scope and scale of the necessary transformation come more clearly into focus. Despite the growing recognition of its importance, very few resources are available to countries, investors, civil society, and international development institutions seeking to achieve a just transition.”³⁰

Importantly, this study indicates that donors, investors and MDBs are becoming increasingly aware of the importance of sustainable investments and projects that are tailored to the specific needs of a country. They have the capacity to provide key financial and technical support for governments considering implementing and exploring just transition strategies, furthermore they have leverage with governments surrounding their policy initiatives.

Investors, Donors and MDBs

Box 12. The CIF work streams on Just Transitions

The Climate Investment Funds (CIF) is implementing several workstreams on just transitions that includes the just transition Initiative [which is well advanced] - a new partnership project by the CIF and the [Center for Strategic and International Studies' Energy Security & Climate Change Program](#) to investigate how to achieve a just transition through the transformational change needed to address climate change. The collaborative effort will conduct a systematic analysis of the various understandings and components of a just transition and foster a community of stakeholders and scholars engaging in this space. The initiative is creating a public platform of resources and guidance for a just transition

in the context of climate change mitigation and adaptation efforts.

In addition, the CIF is developing country case studies to explore key elements of just transitions and draw lessons on how CIF investments have interacted with just transition efforts in countries.

These multi-year initiatives will create policy recommendations and strategies informed by case study analysis, consultations, and literature review. They will also identify the variances and gaps—in both the conceptual and practical understanding—of a just transition and facilitate knowledge-sharing and partnerships among stakeholders and scholars.

Box 13. The EBRD Just Transition Initiative Report (June 2020)³¹

While still in its early stages, the report is the culmination of work conducted over the past two years. The bank proposes to conduct pilots before further initiatives will be scaled up. The intention for the pilots is to support countries in the EU, mainly focused on the project level, and outside the EU where

there is relevance. The work indicates that most countries outside the EU are also in the early stages of thinking about the issues considered in their just transition report. This issue will remain their focus for the next 12-18 months.

Through engagement with donors, investors and MDBs in the early stages of this project it was found that whilst just transition is not yet a consideration in their investment decision criteria, all are actively engaged in developing just transition strategies, for application both within their lending requirements, and as projects for investment.

Conclusions

The three case studies proved the importance of exploring just transition at the national level, and methods for developing just transition strategies. Each country partner adopted their own definition of just transition to communicate and explain the concept to stakeholders. Although most stakeholders were unfamiliar with the term 'just transition' as it stands, they all saw the benefits of being involved in the decision-making process in moving towards a low-carbon economy.

They each developed their own methodologies to engage various stakeholders, which were successful to different extents. In many cases working with sectors such as the informal economy, which by definition are not often regulated or treated as a 'group' or 'body' by the government was challenging, and methods continue to be developed on this front. The Covid-19 pandemic and its response measures also presented challenges to the study. It often meant that face-to-face meetings could not take place, also that government attention and resources were diverted to this issue at hand. It was found that incorporating just transition strategies into Covid-19 responses is not yet considered by any of the case study countries, as they must deal with both a health crisis and a deteriorating trade and financial environment.

NDCs are formal and legally binding instruments and incorporating just transition strategies that reflect the national context into a country's NDC has important implications for the institutional support of this transition. However, the inclusion of just transition strategies in NDCs is not a guarantee for an inclusive and just approach to the low-carbon transition. While the political framework is a fundamental element of a just transition, engaging affected stakeholders that shape the transition is a significant challenge. For example, this study showed that just transition is mentioned in Colombia's revised NDC, however it does not necessarily translate into promoting an inclusive low-carbon transition despite its legal nature.

NDCs are also powerful documents to signal intention for a just transition to stakeholders and MDBs, for example for access to finance. They provide a substantial starting point to encourage discussion around the right incentives and basis for future financial, societal, political, and environmental decisions. In addition, incorporat-

ing just transition strategies into NDCs is also useful for knowledge-sharing and popularising the concept in and between countries.

There are three prominent ideas/findings to come out of this report which are presented in the Venn diagram (Figure 4).

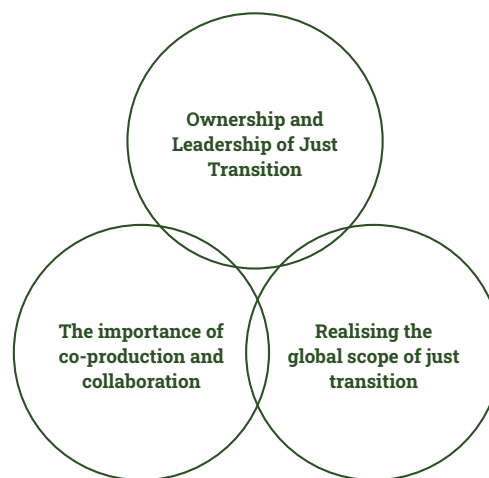


Figure 4: Key findings of the study

Ownership and Leadership of Just Transition

To have ownership of just transition in a specific national context, it is crucial that relationships with relevant stakeholders are established and maintained. This report has detailed the beginning of this process in three countries; Ghana, Colombia and Indonesia, where engagement has taken place to varying extents. People must be at the centre of just transition, and therefore without inclusivity and diversity, a transition will not be just as already marginalised groups might not be consulted and involved in decision making, therefore perpetuating existing inequalities. In fact, governments can use the

Conclusions

drafting of climate policies which often affect all parts of society as an opportunity to strengthen the meaningful participation of groups so far underrepresented in policymaking. The survey and interviews carried out among informal workers and traditional leaders in Ghana demonstrated a strong willingness of those groups to take part in the policymaking process; especially as they are among the most affected by climate change.

It is important for governments, or local institutions to develop and adopt their own meaning or definition of just transition, that place fairness and people at the centre. In this way they can address relevant sectors and set the correct boundaries appropriate to their country context. There is no one size fits all approach to just transition and within the national context government institutions can play a vital role in shaping the approach.

The importance of co-production and collaboration

This project has shown the importance of local knowledge, expertise and contacts through the in-country partners. The insights gained from groups that have so far not been heard on climate policymaking, let alone just transition strategies, such as informal workers in Ghana. As each country developed their own methodologies, the next stage of this project will focus on knowledge-sharing between countries to develop their own strategies.

Involving stakeholders in the decision-making process is complex and must be adapted in each country context. This is a process that is still being explored at different levels, with the first step being capacity building across communities.

Realising the global scope of just transition

This study introduced important conversations around just transition that goes beyond the scope of developed countries. Whilst just transition discourses in developing countries are still in the early stages, the project indicated important insights, including the involvement of different stakeholders, understanding of fair participation and involvement in transition debates and power dynamics in different national contexts. The study gave some indication as to which actors are interested in being involved in discussions around what just transition means in the local context and how just transition measures may be implemented. It further revealed context-specific barriers and opportunities to overcome such barriers, however more in-depth understanding of transitions, their direction and capacity building in the local context need to be developed. Although just transition in developing countries are still a novel concept that requires further development, the project yielded powerful insights into the different challenges and highlighted important research gaps.

Recommended Guidelines

This section provides an overview of overarching just transition principles, as well as recommended guidelines for national governments. These guidelines were developed based on the research findings. As has been found, there is no one model fits all, that each country circumstance is unique, and the meaning of just transition must be adapted accordingly. High-level just transition principles are important strategies to base just transition discourses on. However, governments may also benefit from more specific tools and approaches to just transition strategies. For instance, the research found that capacity building of governments and other affected stakeholders must be enhanced. Besides the institutional foundations for a just transition, an inclusive and participatory approach in the country-specific context needs to be valued. Similarly, donors and MDBs have an important role to play in ensuring their work is aligned with just transition principles and visions. These pioneering guidelines may give direction in capacity building and stimulating fair energy transitions.



Figure 5: Guiding principles for national governments

Outlook / Next Steps

As the climate crisis continues, more governments and institutions are looking to implement climate policies that are fast and fair. The just transition framework provides co-benefits that address both climate action and social justice. As it stands, just transition strategies for developing countries are not sufficiently explored and developed in a practical way.

In the next stage of the project, we will continue to work with researchers in Indonesia, Ghana and Colombia to strengthen the implementation of just transition in their NDCs and Covid-19 responses. This stage will also introduce six new case-study countries selected for their diverse environmental, social and economic circumstances. This diversity of circumstance will provide a more comprehensive range of experiences from which governments and civil society in other countries can draw from for guidance.

References

1. COP24 (2018): Archive site. <https://cop24.gov.pl/> (last accessed: June 28th 2021).
2. <https://cdn.sei.org/wp-content/uploads/2020/06/seven-principles-for-a-just-transition.pdf>
3. ILO (2018): More than 60 per cent of the world's employed population are in the informal economy. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_627189/lang-en/index.htm (last accessed: June 28th 2021).
4. Climate Action Tracker (2015). <https://climateaction-tracker.org/publications/climate-pledges-will-bring-27c-of-warming-potential-for-more-action/> (last accessed: June 28th 2021).
5. Cugat, G. & Narita, F. (2020): How COVID-19 Will Increase Inequality in Emerging Markets and Developing Economies. IMF. How COVID-19 Will Increase Inequality in Emerging Markets and Developing Economies – IMF Blog (last accessed: May 29th 2021).
6. <https://www.worldbank.org/en/news/press-release/2020/10/07/covid-19-to-add-as-many-as-150-million-extreme-poor-by-2021>
7. Wehnert, T. et al. (2021): Green Recovery Tracker. Wuppertal Institut and E3G. <https://www.greenrecoverytracker.org/> (last accessed: 31st May 2021).
8. 109th International Labour Conference: Global agreement reached at ILO Conference on action for COVID-19 recovery
9. Cugat, G. & Narita, F. (2020): How COVID-19 Will Increase Inequality in Emerging Markets and Developing Economies. IMF. How COVID-19 Will Increase Inequality in Emerging Markets and Developing Economies – IMF Blog (last accessed: May 29th 2021).
10. Glynn, P.J., Błachowicz, A. & Nicholls, M. (2020): Incorporating just transition strategies in developing country Nationally Determined Contributions, Climate Strategies. <https://climatestrategies.org/publication/justtransitionndc/>
11. The World Bank (2021): Overview. <https://www.worldbank.org/en/country/indonesia/overview#1> (last accessed: June 28th 2021).
12. Oxfam (2017): Towards a More Equal Indonesia: How the government can take action to close the gap between the richest and the rest. https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/bp-towards-more-equal-indonesia-230217-en_0.pdf (last accessed: June 28th 2021).
13. Yusuf, A. A. & Sumner, A. (2015): Growth, Poverty, and Inequality under Jokowi, Bulletin of Indonesian Economic Studies, 51:3, 323-348. <https://www.tandfonline.com/doi/pdf/10.1080/00074918.2015.1110685?needAccess=true>

References

14. Salbiah, N. A. (2021): Indonesia Netral Karbon Pada 2060, Semua Pihak Harus Turun Tangan. <https://www.jawapos.com/ekonomi/14/06/2021/indonesia-netral-karbon-pada-2060-semua-pihak-harus-turun-tangan/?page=all> (last accessed: May 29th 2021).
15. COP24 (2018): Solidarity and Just Transition Silesia Declaration. https://cop24.gov.pl/fileadmin/user_upload/Solidarity_and_Just_Transition_Silesia_Declaration_2_.pdf (last accessed: May 31st 2021).
16. International Trade Union Confederation (2021): Indonesia. A trade union focus on the SDGs. https://www.ituc-csi.org/IMG/pdf/sdg_country_report_2021_indonesia_en.pdf (last accessed: May 31st 2021).
17. Indonesia Overview (worldbank.org) (last accessed June 2nd 2021).
18. IMF (2021): Policy Responses to Covid-19. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#l> (last accessed: June 28th 2021).
19. OECD (2020): Indonesia | OECD Tourism Trends and Policies 2020. <https://www.oecd-ilibrary.org/sites/6c4fc1cd-en/index.html?itemId=/content/component/6c4fc1cd-en> (last accessed: June 28th 2021).
20. Oxfam (n.d.): Ghana: extreme inequality in numbers. <https://www.oxfam.org/en/ghana-extreme-inequality-numbers#:~:text=2%25%20The%20wealthiest%2010%25%20of,and%20to%20have%20fewer%20assets> (last accessed: June 28th 2021).
21. The World Bank (2021): Overview. <https://www.worldbank.org/en/country/ghana/overview> (last accessed: June 28th 2021).
22. Oxfam (n.d.): Ghana: extreme inequality in numbers. <https://www.oxfam.org/en/ghana-extreme-inequality-numbers#:~:text=2%25%20The%20wealthiest%2010%25%20of,and%20to%20have%20fewer%20assets> (last accessed: June 28th 2021).
23. Republic of Ghana (2015): Ghana's intended nationally determined contribution (INDC) and accompanying explanatory note. https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Ghana%20First/GH_INDC_2392015.pdf
24. Tieleman, J. & Uitermark, J. (2018): Chiefs in the City: Traditional Authority in the Modern State. *Sociology*. 2019;53(4):707-723. <https://journals.sagepub.com/doi/full/10.1177/0038038518809325>
25. Osei-Boateng, C. & Ampratwum, E. (2011): The Informal Sector in Ghana. <https://library.fes.de/pdf-files/bueros/ghana/10496.pdf>
26. The World Bank (2021): Colombia Overview. <https://www.worldbank.org/en/country/colombia/overview> (last accessed: June 28th 2021).
27. Climate Watch (n.d.) Data Explorer. <https://www.climatewatchdata.org/data-explorer/historical-emissions?historical-emissions-data-sources=cait&historical-emissions-gases=all-ghg&historical-emissions-regions=All%20Selected%2CCOL&historical-emissions-sectors=All%20Selected&page=1> (last accessed: June 28th 2021).
28. The World Bank (2021): Colombia Overview. <https://www.worldbank.org/en/country/colombia/overview> (last accessed: June 28th 2021).
29. Moloney, A. (2020). Left jobless by pandemic, Colombia's informal workers to get government aid. Reuters. <https://www.reuters.com/article/us-health-coronavirus-colombia-trfn/left-jobless-by-pandemic-colombias-informal-workers-to-get-government-aid-idUSKBN21E3JN?edition-redirect=uk> (last accessed: June 28th 2021).
30. CIF (n.d.): Just Transition. <https://www.climateinvestmentfunds.org/topics/just-transition> (last accessed: June 28th 2021).
31. EBRD (n.d.): The EBRD's just transition initiative. <https://www.ebrd.com/what-we-do/just-transition-initiative> (last accessed: June 28th 2021).

About the Research Partners

Dala Institute, Indonesia

The Dala Institute is a research and consulting organisation dedicated to elucidating and identifying durable solutions to contemporary issues at the nexus between nature and society. The team offers researchers and consultants who understand that environmental and societal challenges are inseparable.

www.dala.institute

The University of Ghana, Department of Agricultural Economics and Agribusiness

The Department of Agricultural Economics and Agribusiness at the University of Ghana focuses on issues related to the humanities in the agricultural sector, including the achievement of the global Sustainable Development Goals and national discourses of agricultural development. Professor Kwabena A. Anaman, whose interests include political economy, resource and environmental economics and international trade, leads the work on this project.

<https://www.ug.edu.gh/aea/>

Fedesarrollo, Colombia

The Foundation for Higher Education and Development or Fedesarrollo is a private, non-profit organisation that is dedicated to research on economic and social policy issues. Its purpose is to contribute to the design, monitoring and improvement of public policies. Fedesarrollo promotes, directly or indirectly, the economic and social development of the country through studies, publications and debates in different areas of public policy. Eduardo Uribe-Botero who leads on this project now works as the Director of Sustainability at the Energy Group of Bogota.

www.fedesarrollo.org.co

Climate Strategies

Climate Strategies works at the science-policy interface, advancing climate policy through meaningful interactions between decision-makers and researchers across Europe and internationally. We are an international, not-for-profit research network with an expansive network of world-leading researchers as members.

www.climatestrategies.org

