

Submission to the Work Programme on Just Transition pathways referred to in the relevant paragraphs of decision 1/CMA.4

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About this submission

The Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science welcomes the invitation to submit our views on different elements of the initiated work programme on just transition pathways referred to in the relevant paragraphs of decision 1/CMA.4. We intend to inform Parties' further discussions on the work programme during the workshop to be held before SB59 based on the draft conclusion of SBSTA58 and the SBI58.

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This policy paper is intended to inform decision-makers in the public, private and third sectors. It has been reviewed by at least two internal referees before publication. The views expressed in this paper represent those of the author(s) and do not necessarily represent those of the host institutions or funders.

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1. Introduction

As has been evident at successive UN climate conferences, the mistrust between key constituencies of the Paris Agreement presents a roadblock in the implementation of collective climate action in the immediate and long term. In this regard, the COP27 decision to establish the Work Programme on Just Transition (JTWP) is not only a welcome development but also an urgently necessary one as a confidence building measure. The JTWP presents an opportunity to holistically assess, design and scale-up pathways to achieve the goals of the Paris Agreement in a just and equitable manner that is relevant to all sectors and encompasses all socioeconomic dimensions of climate change. The JTWP also coherently aligns with other mechanisms of the Paris Agreement, including Article 2.1(c), thus elevating the strategic importance of financing just transitions by governments, along with public and private financial institutions.

This submission aims to support the work of the JTWP by providing recommendations on its necessary priorities and objectives, drawing on work from the Grantham Research Institute, including its Climate Change Laws of the World database,¹ its just transition and sustainable finance research themes, and its work as the academic partner of the Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) project.²

¹ The [Climate Change Laws of the World database](#) has identified over 3,000 climate laws and policies at the national level in approximately 200 countries. Laws and policies are included in the database if they set out a government's response to climate change or part of a government's response to climate change.

² The [Transition Pathway Initiative Global Climate Transition Centre](#) is based at the Grantham Research Institute and is the academic partner of the ASCOR project.

2. Recommendations on priorities and objectives

The design and implementation of just transition pathways can underpin the effective delivery of the goals of the Paris Agreement. We see just transition pathways as future-focused assessment, planning and mobilisation mechanisms that enable decision-makers in government, business, unions and civil society to understand and address the social opportunities and risks of climate action, including through meaningful ongoing social dialogue and participation. These just transition pathways would be consistent with fundamental human rights and labour standards so that climate action supports the delivery of the Sustainable Development Goals, notably the eradication of poverty and reduction of inequality. Critically, the just transition pathways would be pursued in an inclusive, affordable and sustainable manner, particularly taking account of the views and needs of vulnerable groups such as local communities and Indigenous Peoples, women, children and young people, based on meaningful and effective social dialogue.

To this end, the JTWP could focus on the following priorities:

Complement existing work streams under the UNFCCC and the Paris Agreement.

The JTWP should be implemented in a manner that builds on relevant existing work streams under the Convention and the Paris Agreement, such as work done by the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) and the Mitigation Work Programme. Just transition pathways should also be integrated into, and align with, all thematic discussions and programmes, such as finance, adaptation, mitigation and technology, capacity building, and loss and damage. Furthermore, the JTWP should take into account outputs from previous work programmes on issues that are pertinent to the just transition, including the implementation of the Gender Action Plan (GAP), and the work of the Local Communities and Indigenous Peoples Platform. This would ensure that the JTWP is both additive and cross-cutting, highlighting the importance of social dialogue and social protection and responding to both the social opportunities and risks of climate action.

Inform national just transition pathways. Achieving a just transition needs to be nationally determined. It is a cross-cutting priority for all aspects of government decision-making, including Finance Ministries working hand-in-glove with line ministries to ensure that the distributional dimensions of climate actions are addressed, and a whole-of-society approach is taken. The JTWP could facilitate the development of national just transition pathways that highlight the priority actions to address the social opportunities and social risks facing the country at all levels. These should then be integrated credibly into the 2025 enhancements to nationally determined contributions (NDCs), thus informing the establishment of targeted and proactive national policy actions. Within countries, the place-based dimension of just transition and its financing will also be key. It is becoming increasingly common for climate change legislation to incorporate specific human rights and economic development components. The JTWP could usefully share country experience on the development of these just transition pathways and the ways in which progress can be assessed across different contexts.

Support the development of sectoral just transition pathways. The JTWP could also usefully facilitate the development of just transition pathways at the sector level to complement ongoing work on the mitigation and adaptation dimensions of sectoral climate action. These pathways should cover all sectors, including energy, industry, mining, the built environment, transport, water, waste, agriculture, fisheries, land use and nature. These sectoral pathways could evaluate the potential implications for workers,

communities, suppliers, consumers and other critical actors upstream and downstream and identify actions that would be needed to ensure that the transition is fair and inclusive. As sectors extend across borders in international value chains, the JTWP could also support dialogue and action that prioritise the needs of the most vulnerable, particularly those in the Global South.

Enable the integration of just transition into investment decision-making. Translating the aspirations of a just transition into practice will involve changes, including a rethink of public and private financial practice. Credible just transition pathways can provide the blueprints for capital allocation in climate action by the public and private sectors, while ensuring quantity and quality. Notably, attention is needed to ensure financial inclusion is part of the just transition. New capital – such as the establishment of just transition funds and mechanisms – will need to be mobilised, not least because those who are most affected by the transition may have inadequate access to the requisite capital. In the same vein, the pathways should set out how social factors could and should be incorporated into core financial frameworks. For example, the [UK Transition Plan Taskforce](#) has incorporated the just transition into its disclosure guidance for corporates. The [Assessing Sovereign Climate-related Opportunities and Risks \(ASCOR\) Framework](#) provides indicators and transparent country assessments to inform, support and facilitate investors' decision-making on sovereign bond purchasing. The Framework includes a pillar assessing whether national climate policies include a just transition lens.

Advance international cooperation to deliver just transition pathways. The just transition can also be advanced by establishing and supporting the implementation of international guidelines and principles. The JTWP should be implemented in line with existing international human rights instruments such as the UN Declaration on the Rights of Indigenous Peoples, the UN Convention on the Rights of the Child, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights. The ILO's 2015 Just Transition Guidelines provide a foundation for high integrity action which can then be applied according to nationally defined development priorities. Common challenges face the global community in realising a just transition. These collective challenges span the means of implementing the Paris Agreement, including finance, technology and capacity building. Overcoming these challenges and delivering a just transition for all requires global cooperation, including accelerating mitigation efforts and expanding fiscal, regulatory and other policies to deliver the needed investment. Existing Just Energy Transition Partnerships have the potential to show how Article 2.1(c), Article 9, and the just transition can be co-delivered. For example, the JTWP could exchange experience to show how the 'just' dimension of just transition actions can have real substance, which the just transition pathways can help provide. Furthermore, the just transition pathways should be mainstreamed into international financial architecture, building on the momentum from initiatives such as the Bridgetown Agenda.

Ensure that just transition actions have integrity and impact. The JTWP should provide in-depth, contextual, science-based, and outcomes-focused pathways that support countries, sectors and communities as they transition out of high greenhouse gas activities and into low carbon alternatives. The JTWP could play an important role in ensuring that just transition actions have integrity and result in positive outcomes for workers and communities. For example, in the finance sector, it is important to be able to distinguish between genuine efforts to support a just transition and avoid greenwashing. This means integrating just transition principles into key frameworks such as those of the International Sustainability Standards Board (ISSB) and the recommendations from the UN High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, for example. Credible governance for just transitions has to be rooted in a baseline of clear standards on

labour and human rights. Ongoing social dialogue and stakeholder participation need to be central in the governance arrangements of the JTWP and its relevant deliverables, including in the design and application of the pathways.

3. Modalities and governance arrangements of the JTWP

Making the just transition a reality is a long-term task, and the JTWP should be considered an open-ended, long-term work programme. To ensure integrity, transparency, fitness-for-purpose and equity in its governance and deliverables, the JTWP should consider the following aspects in its institutional arrangements:

Include an expert/advisory committee to the work programme with adequate representatives from affected stakeholders, including workers, communities, supply chains and consumers to provide and advise parties with contextual information and on the design of the pathways. The expert committee should also include representatives from the Standing Committee on Finance and from the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) to ensure that the just transition remains a cross-cutting work programme within the Convention and the Paris Agreement.

Recognise and engage with existing climate justice and just transition-focused guidelines both within and outside the UN processes. This would include the role and work of the International Labour Organization, the Organisation for Economic Co-operation and Development, the Just Transition Energy Partnerships and other multilateral initiatives and organisations. It should also recognise and provide guidelines in line with existing international human rights instruments, as referenced above.

Establish an annual ministerial round table on just transition that legitimises the work of the JTWP with sufficient high-level commitment to implementation at the national level. Notably, the involvement of Finance Ministries is needed to ensure that national just transition policies are delivered in the context of a changing fiscal landscape.

Establish a system of monitoring and reporting to the COP on an annual basis, with participation from Parties and non-Party stakeholders, and stakeholder constituencies.

4. Further reading

Assessment of Just Transition elements in the Inevitable Policy Response (Q1 and Q2 2022): <https://www.unpri.org/download?ac=16483>

Assessment of Just Transition elements in the Inevitable Policy Response (Q3 and Q4 2022): <https://www.unpri.org/download?ac=17811>

Curran B, Robins N, Muller S, Subramoni A and Tickell S (2022) Making Transition Plans Just: How to embed the just transition into financial sector net zero transition plans. London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science. <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/10/Making-Transition-Plans-Just-2.pdf>

Grantham Research Institute Submission to the High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities: <https://www.lse.ac.uk/granthaminstitute/publication/submission-to-the-high-level-expert-group-on-the-net-zero-emissions-commitments-of-non-state-entities/>

Grantham Research Institute Submission to the Special Rapporteur on the promotion and protection of human rights in the context of climate change, in response to a call for inputs on 'Enhancing climate change legislation, support for climate change litigation and advancement of the principle for intergenerational justice': <https://www.lse.ac.uk/granthaminstitute/publication/submission-to-the-special-rapporteur-on-the-promotion-and-protection-of-human-rights-in-the-context-of-climate-change/>

Inevitable Policy Response (2019) Why a just transition is crucial for effective climate action: <https://www.unpri.org/download?ac=7092>

International Labour Organization and LSE Grantham Research Institute for Climate Change and the Environment (2022) Just Transition Financing Tool for banking and investing activities. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_860182.pdf

Mueller S and Robins N (2021) Policy Brief: Financing the just transition beyond coal. London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science and the Powering Past Coal Alliance. <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/10/Financing-the-just-transition-beyond-coal.pdf>

Mueller S and Robins N (2022) Just Nature: How finance can support a just transition at the interface of action on climate and biodiversity. London: Grantham Research Institute on Climate Change and the Environment and the Centre for Climate Change Economics and Policy, London School of Economics and Political Science. https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/08/Just_Nature_How_finance_can_support_a_just_transition_at_the_interface_of_action_on_climate_and_biodiversity.pdf

Strengthening the Role of Ministries of Finance in Driving Climate Action, Coalition of Finance Ministers for Climate Action: <https://www.lse.ac.uk/granthaminstitute/publication/strengthening-the-role-of-ministries-of-finance-in-driving-climate-action-a-framework-and-guide-for-ministers-and-ministries-of-finance/>