

Work programme on just transition pathways referred to in the relevant paragraphs of decision 1/CMA.4

Context

The World Benchmarking Alliance (WBA) commends the UNFCCC for launching formally at COP27 a just transition work programme (JTWP). WBA further welcomes the release at SB58 in June 2023 of an [informal note that outlines the overarching considerations related to the work programme](#) which will be further specified at COP28. The informal note references a number of key areas that the JTWP can develop in the coming years. These include the link to NDCs, the importance of both public and private sector action on just transition and the extension of just transition considerations to multiple economic sectors. WBA welcomes in particular the call for “general guidance for developing methodologies and tools including a toolbox for just transition”. This echoes the Co-chairs’ [summary of the Presidencies’ informal consultations](#) on the work programme on just transition for discussion of pathways to achieving the goals of the Paris Agreement in April 2023. This Summary specifically mentions “sending clear political signals about the importance of just transition, addressing the impacts of a rapid economic shift and supporting a just transition strategy including parameters and indicators to monitor and track progress.” WBA supports these statements and further emphasizes the importance of driving corporate accountability¹ on the topic of just transition. In order to do so, WBA shares the **following three key recommendations** for the JTWP’s consideration:

1. The JTWP should build on existing initiatives and propose tracking progress methodologies to improve the level of just transition readiness for different stakeholders
2. The JTWP should build bridges between the actions needed from governments and non-state actors (NSA)
3. The JTWP should extend just transition thinking to multiple economic sectors

Recommendations for the JTWP

- 1. The JTWP should build on existing initiatives and propose tracking progress methodologies to improve the level of just transition readiness for different stakeholders**
 - Since its emergence in the 1980’s from the trade union movement, the concept of just transition has gained increased traction internationally. This includes an understanding that goes beyond worker related impacts of a shift to a low-carbon economy. While the growing

¹ For a further information on how WBA approaches corporate accountability, see <https://www.worldbenchmarkingalliance.org/research/white-paper-corporate-accountability/>

use of the term is beneficial, it also poses a number of challenges on how to approach and operationalise just transition in different contexts. A key way for the JTWP to start in this area is to use monitoring, reporting and verification systems (MRV) with indicators and data (qualitative and quantitative). MRVs can inform governments of the state of play of just transition readiness for different stakeholders (national/sub-national governments, companies, financial institutions). Tracking progress methodologies can also identify where particular just transition gaps exist (such as for just transition planning). In doing so these methodologies can therefore support the design and implementation of enabling policies that can help address these gaps.

- The JTWP should build on existing work conducted in this field. At the company level this includes [WBA's just transition methodology and assessments](#) across multiple economic sectors (electric utilities, buildings, oil and gas, automotive and transport). This methodology, co-developed with the ILO and other experts in the field, identifies noticeable company best practices but also gaps that remain for six just transition areas of assessment.² Other tracking progress work at the private sector level includes work from LSE Grantham, the Council for Inclusive Capitalism and CA100+. **WBA is further convening end of 2023 and running into 2024 an [international working group on tracking progress on just transition](#).** The aim of this **working group is to build linkages between tracking progress work conducted at the company, state and sectoral level.** Specifically the working group seeks to build an overarching just transition accountability framework that can inform the inclusion of just transition within a wide range of climate policies.
- Such tracking progress methodologies can be particularly helpful in linking with existing frameworks, data repositories and guidance released both within and outside the UNFCCC. This can include for example a better linkage with the Global Climate Action Portal (GCAP) and the UN High Level Expert Group (HLEG) [implementation checklist](#) which lists some just transition criteria for NSA.
- The JTWP should further strive to use tracking progress methodologies to build a better connection with NDCs and Long-Term Low-Emission Strategies (LTS). Currently as identified by existing research such as from [UNDP](#), there are important gaps in countries integrating just transition considerations in their NDCs and LTS. This is the case both across sectors and in terms of the depth of the commitments made.
- Finally the JTWP should build on existing work conducted by key organisations in the field such as the ILO and KCI.

2. The JTWP should build bridges between the actions needed from governments and NSA

- WBA's just transition assessments as part of its climate and energy benchmarks across 320 companies reveal that despite some good corporate practices, a number of important gaps remain. These include the fact that:

² WBA's methodology identifies six areas of assessment relevant for just transition. These are social dialogue, planning for a just transition, green and decent job creation, retaining and re-and/or upskilling, social protection and social impact management, and advocacy for policies and regulation supporting a just transition. For further reference see WBA's just transition methodology available at <https://www.worldbenchmarkingalliance.org/research/just-transition-launch-of-the-methodology/>

- **Only 8% of companies are partially³ planning for a just transition.** This requires companies to have social dialogue mechanisms in place and time bound targets to protect workers, consumers and suppliers from the impacts of a low carbon transition.
- **Less than 8% of companies have some elements of social protection** in place in relation to the low-carbon transition.
- **Less than 7% of companies have some elements regarding public advocacy** for a just transition.
- In order to best address the above gaps it is critical that governments, workers and NSA such as companies collaborate to implement just transition policies. WBA with Climate Chance previously emphasised the importance of public-private collaboration [in the context of the Global Stocktake](#). Similarly, in the context of just transition, the JTWP could facilitate shared learning and collaboration between governments and NSA. In turn this can be particularly useful to develop more effective just transition policies and regulations. The latter point is emphasized in a forthcoming publication (end of October 2023) “Moving from Pledges to Implementation: A Guide for Corporate Just Transition Action” by WBA, LSE Grantham and the Council for Inclusive Capitalism with support from ILO and UNDP.

3. The JTWP should extend just transition thinking to multiple sectors

- WBA’s just transition assessments reveal a particular gap in the level of just transition readiness in certain sectors, namely buildings, transport and oil and gas in contrast to the electricity sector.
- The JTWP can help to ensure multiple sectors are covered in its work programme. [GIZ and IISD also conducted research](#) in this field highlighting in emerging and developing economies the opportunities and challenges of implementing a just transition. This assessment included a review for coal phase-out, fossil fuel subsidy reform, development of renewable energy, circular economy and waste management and agriculture and land-use. The JTWP should complement such research with in-depth assessments of specific sectors, industries and stakeholders.
- Positively, just transition thinking is starting to extend to multiple sectors, as witnessed by the announcement of the Maritime Just Transition Taskforce at COP26. Yet, more efforts remain to ensure just transition is not overly focused on a single sector or industry. As it develops, the JTWP can play an important role in shaping this agenda and cementing multi-stakeholder partnerships on just transition across sectors.

³ The level of integration can be partial or full depending on whether some or all indicators in the area of assessment are met.

About the World Benchmarking Alliance



The World Benchmarking Alliance (WBA) was launched in 2018 because we believed that there needs to be real change in the way that business impact is measured to boost motivation and stimulate action for a sustainable future for everyone.

WBA identified [seven transformations](#) that need to take place to put society and the worldwide economy on a more sustainable path to achieve the SDGs. To turn these transformations into action, WBA develops in close collaboration with the Alliance a series of benchmarks assessing 2,000 of the world's most influential companies, ranking and measuring them on their contributions to the SDGs.

About WBA's Climate and Energy Benchmarks

WBA's [climate and energy benchmarks](#), ([automotive](#), [electric utilities](#), [oil and gas](#), [transport](#)), (building benchmark forthcoming) use the Assessing low Carbon Transition (ACT) initiative's methodologies that assess how companies' emission reduction commitments, targets, and transition plans align with a 1.5C scenario. WBA further assesses these companies on their human rights, decent work, and [just transition commitments](#).