



# **Just Transition Action: Setting the Scene**

## **1<sup>st</sup> High-Level Ministerial Roundtable on Just Transition**

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## The Just Transition is a Driver of Climate Ambition

- ❖ **The right thing to do:** Putting people at the heart of climate action is the right thing to do for every government as well as every business, trade union and member of society. It is part of the Paris Agreement, the ILO's Just Transition Guidelines were reconfirmed in 2023 and it is founded on labour & human rights.
- ❖ **The necessary thing to do:** The just transition is an imperative to build trust, public support and the capabilities needed to scale up robust action for net-zero & resilient development. One reason that climate action is not on track has been insufficient focus on the socio-economic opportunities and challenges.
- ❖ **The smart thing to do:** Clean energy employment already outpaces fossil fuel jobs. The just transition can be engine of quality job creation and decent work, making sure no one is left behind, sharing value with communities and eradicating poverty (such as universal access to clean energy & mobility).
- ❖ **Three themes:** policy leadership is happening, but this needs deepening; a systemic approach is vital; the just transition requires finance & investment.

# 1. Policy Leadership is Happening: Now is the Time to Deepen

- ❖ **National Priorities:** The just transition needs to be delivered according to nationally defined development priorities – and national governments as well as local & regional authorities are now taking action. No ‘one size fits all’.
- ❖ **A Variety of Approaches:** national, sectoral, regional strategies; industrial policy, fiscal incentives and funds; stakeholder commissions & taskforces; a focus on gender equity & vulnerable groups; green jobs & skills development; social protection & support; global sector initiatives.
- ❖ **Long-Term Low-Emission Development Strategies for 2050:** UNFCCC Secretariat reviewed 68 strategies covering 76% of global emissions: for net-zero, 57% underlined Parties’ commitment to the just transition and 43% of LT-LEDS stressed the importance of a just transition in adaptation and resilience plans.
- ❖ **Nationally Determined Contributions for 2030:** UNFCCC Secretariat reviewed 168 NDCs covering 95% of emissions: 31% of Parties plan to address social impacts by including the just transition in their overall NDC implementation.

## 2. Just Transition is for the Whole of the Economy and All of Society

- ✓ **All of Economy:** the just transition is relevant for all sectors, the '*transition out*' of high-carbon activities and the '*transition in*' to net-zero & resilient solutions. Core to phasing out fossil fuels, tripling renewables & doubling efficiency, but also delivering sustainable agriculture, forestry and food systems.
- ✓ **All Businesses:** the just transition needs to be at the heart of corporate climate plans. But only 3% of 150 most carbon polluting firms have just transition plans developed in consultation with key stakeholders. Important to focus on the just transition needs of micro-, small- & medium-sized enterprises (MSMEs).
- ✓ **All of Society:** meaningful social dialogue and stakeholder participation is central to effective transitions; respecting labour, human & Indigenous Peoples' rights; empowering women and excluded groups (including in the informal economy); involving transparency, consultation & co-creation.



### 3. The Just Transition Requires Finance & Investment

- **A Double Focus:** The just transition needs to be: first, a part of financial system transformation in terms of standards and pricing; and second, a priority for dedicated investment by the public & private sectors. The UNFCCC can lead.
- **Financial Policy:** The Coalition of Finance Ministers for Climate Action with over 90 countries has identified the just transition as a cross-cutting priority. Integrate into carbon pricing & fossil fuel subsidy reform. Fiscal space is key.
- **Financial Inclusion:** Access to finance is crucial for transitions in agriculture, distributed energy, housing and transport, and particularly for women and youth. Central banks can support this through inclusive green finance policies.
- **International Cooperation:** So far, 4 Just Energy Transition Partnerships giving lessons on type of finance (grant, concessional, commercial) and quantity of international finance needed to support developing countries.
- **Investors:** Over 700 investors, responsible for \$68 trillion in assets have included the just transition in their expectations of net-zero performance from business.

Thank you