

Dialogue on just transition sets tone on broad scope

Bonn, 5 June (Hilary Kung) – “Just transition is not just about reducing carbon emissions; it is about building a future with social justice and environmental sustainability to go hand in hand...safeguarding biodiversity and ensuring prosperous planet for the generations to come,” said **Nabeer Munir (Pakistan)**, as Chair of the Subsidiary Body for Implementation (SBI) in his opening remarks at the ‘UAE Just Transition Work Programme’ (JTWP) dialogue which convened on 2-3 June at the Bonn climate talks.

The SBI Chair’s remarks set the tone for a discussion encompassing a broad scope of the JTWP, following the decision adopted in Dubai, UAE last year. The first dialogue was opened by **Munir** and **Harry Vreuls (Netherlands)**, who is Chair of Subsidiary Body for Scientific and Technological Advice (SBSTA).

(The decision adopted at the 5th session of the Conference of Parties to the Paris Agreement [CMA 5] in Dubai, stated that there will be at least two dialogues held each year, with the first one before the 60th session of the Subsidiary Bodies in June 2024 and another one before the next session in Nov. 2024, in a hybrid format.)

The dialogue entitled “Just transition pathways to achieving the goals of the Paris Agreement (PA)

through nationally determined contributions (NDCs), national adaptation plans (NAPs) and long-term low-emission development strategies (LT-LEDS)” envisioned the broad scope of the JTWP. (The scope of the JTWP had been a highly contentious issue in Dubai, with developing countries wanting the scope to be broad and cover all three pillars of sustainable development [social, economic and environmental], in the context of equity and common but differentiated responsibilities and respective capabilities (CBDR-RC), while developed countries preferred it to be narrower with the focus on the workforce, primarily in relation to the energy transition and also on enhancing ambitious domestic climate actions.)

The [dialogue](#) was divided into 2 parts, with day 1 focussing on inclusive approaches, experience sharing in incorporating just transition pathways into the development of NDCs, NAPs and LT-LEDS and policy coherence for implementing just transition pathways; while day 2 focussed on international cooperation on just transition pathways to the delivery of NDCs, NAPs and LT-LEDS goals in the format of breakout group discussions.

Iman Ustadi, Deputy Chief Negotiator, of the COP28 Presidency (UAE), underlined the

broad scope of just transition in her opening remarks. She highlighted the need for a balanced consideration of developmental, social and economic priorities, in light of achieving mitigation and adaptation objectives in the pursuit of just transitions. “The just transition debate ultimately puts forward how to truly operationalise the concept of sustainable development, through climate action, so that it is in fact a driver of prosperity,” said Ustadi. Elaborating further, she said, “A just and effective transition requires a more integrated approach grounded in principle that values people, enhances the capacity of developing countries, ensures necessary social participation, and commits to reducing hunger and poverty, as well as the protection of biodiversity.” Several Parties spoke at the dialogue. We capture below some highlights.

HIGHLIGHTS FROM SOME INTERVENTIONS

Ghana on behalf of the **African Group** raised concerns with the framing of the dialogue which could restrict participants to discussing only national plans and policies, which the group disagreed with, adding that it sees the JTWP dialogue as the place to address finance and international cooperation issues. In its national capacity, Ghana also highlighted challenges around the reliance on oil revenue money, for its education and stabilisation fund, and their relation to just transitions.

Malawi on behalf of the **Least Developed Countries (LDCs)** spoke about the need to focus on energy access and the importance of transitioning away from traditional biomass to clean cooking stoves. It also highlighted the need to bring in the informal sector, micro and small enterprises that are the engine of its economy, and on how they can be up-scaled as part of the value chain. Malawi also questioned the solution-oriented framing of the JTWP and suggested the need for a more holistic framing that brings in finance and capacity building together, with other

means of implementations in accordance to the PA.

Bolivia for the **Like-Minded Developing Countries (LMDC)** stressed the importance of interconnectedness, and that the issues of just transitions cannot be solved at the domestic level. It further emphasized that developing NDCs, NAPs and LT-LEDS alone are not sufficient if developing countries cannot implement them without the means of implementation from developed countries; hence the need to reflect equity and CBDR-RC.

Senegal shared its short experience with the Just Energy Transition Partnership (JETP) signed with the governments of France, Germany, the United Kingdom, Canada, and the European Union (EU). In Senegal, only 75% of the population have access to electricity and at least 55% of them are in the rural areas. It said it is spending USD 1.5 billion each year to import petroleum products. While all aspects of the sustainable development are relevant, Senegal said it focuses specifically on energy access and food security. It added that for Senegal, the JETP is important and the international partnership is ready to mobilise EUR 2.5 billion in new and additional financing over the next 5 years. However, due to its’ plan to start producing gas in 2024 to provide energy access for poor people, it said it was difficult to find an agreement on how much loans and the interest rates should be for the entire plan. This has caused some delay in finalising the investment plan from the JETP. Senegal also provided a concrete example on how it benefited from the Climate Technology and Network (CTCN) to decarbonise its cement sector while pending the JETP investment. It said its key need is technology to guarantee just transitions.

Egypt also commented that the current discourse on just transition pathways seem to focus more on formulation of new national policies instead of addressing the challenges and barriers faced by developing countries on implementing their NDCs. Further, it said developing countries are being

asked to increase ambition, but are not given guidance on how to implement their current NDCs. It also asked for the sharing of best practice examples from developed countries with regards to international cooperation and the cross-border implications that these might have on developing countries, which may hinder just transitions in developing countries. It then explained that the just transition pathways are very different between developed and developing countries.

Commenting further, Egypt said, “We see a lot of focus from developed countries on the just transition in workforce, but we see it in a different perspective. [Just transition in the] workforce is very important but not the full picture. It should include the whole economy, from fossil fuel reliance to low emission resilient economies, and also taking into consideration the formal and informal sectors...”. Egypt also said that it approaches just transition in a more comprehensive manner, and beyond specific sectoral transition. It highlighted the need to consider national priorities in sustainable development from all aspects means that “developing countries are concerned with the approach that we have to follow a certain path; we consider that the pathways are quite different and have to reflect national circumstances and circumstances for each specific economy when going through the transition journey”.

Egypt also viewed the JTWP as a good platform for developed countries to take the lead and provide support to make the transition happen in developing countries. Citing the comprehensive policy strategy presented by the EU under its Green Deal, and the challenges shared by Senegal, Egypt said developed and developing countries are not on the same level and hence the need for international cooperation. On international cooperation, it cautioned over the role of private sector being portrayed as a panacea to resolve all the problems. It said around 98% of adaptation finance had to come from public sources from

developed to developing countries and only 2% were from the private sector. “Climate finance faces a lot of problems. This is not an opinion but is based on facts. Last year alone, in 2022-2023, USD 1.27 trillion of all sorts of forms climate finance but the (understanding the) instruments are essential; USD 561 billion were market rate debt and only USD 69 billion out of the USD 1.27 trillion were grant-based climate finance. That’s the money needed by the countries that are already stressed with heavy debt burden,” said Egypt.

Technology access is also a stumbling block. “We all respect intellectual property rights, but that’s an issue we all have to contend with...[there may be a way] to get [compulsory] licences to certain technologies,” said Egypt.

Commenting on the issues with the JETPs, Egypt shared its experience with its similar, and much smaller but “homegrown” JETP to improve its NDC implementation with regards to renewable energy (RE) targets. It said while international partners attempted to help Egypt in good faith to move the RE plan forward, the foreign currency exchange rates changed and that made everything much more difficult. According to Egypt, there are practical issues with the numbers in JETPs. It all boils down to the cost of the transition and countries are already in dire economic situation and heavy debt burdens are finding it very difficult to shift their much-needed resources from social service, housing, and healthcare to the transition. “Until we find a just and equitable manner to provide finance and technology to developing countries, we will be going at a pace much slower pace than what we are all aspiring for,” said Egypt.

Angola, being an oil exporter, also highlighted its challenges especially when being asked to increase ambition in the next NDC. It said transition is expensive, and there are other priorities that are more pressing in the country such as health and education. Hence, there is a challenge to implement its current NDC and also in formulating a more

ambitious NDC.

South Africa presented that its approach to just transition is contextualised within a development landscape, which have both climate goals and development goals. It emphasized that these are not only national determined, but are also context specific in line with the principle of CBDR-RC. It highlighted its specific development challenges to address poverty, inequality and unemployment. The level of ambition in South Africa's NDC is very much linked to international support in terms of finance, capacity building and technology transfers.

Speaking about its experience with the JETP, South Africa said there is a gap between what has been estimated versus what is really required for the transition. There is still financing to be rallied to support the energy infrastructure, investment in building institutional capacity, diversification of the economy, education in skilling and reskilling and the future of the workforce. It underlined the importance of predictable and quality of financial support and that benefits are appropriately distributed.

Grenada highlighted that communities must not see additional burden from incorporating just transitions.

Saudi Arabia also highlighted the need to address the global gap in the means of implementation provided for developing countries and the implications of unilateral measures.

The **United States** shared its view that transition is not just unless it is aligned to the PA of meeting the 1.5-degree C temperature goal. Elaborating further, it said, "What that means for us is that NDCs need to follow the guidance from the Global Stocktake (GST), and economy-wide targets covering all the greenhouse gases. It is of the view that whole of government approach is critical to implementing climate policy and also a key part of

the domestic enabling environment to facilitate investment opportunities.

Many developed countries such as **Australia, EU,** and **Canada** shared their comprehensive just transition-related policy initiatives and best practices during the dialogue. In particular, the **EU** shared its view that there is still a lot to do with aligning the financial flows to limit temperature rise to 1.5-degree C, as there is still a lot of investments going into fossil fuels. "If we take this investment [out], there is a lot of finance and global capital that can go into just transition in general," it said further.

The two scene setting presentations by **Jim Skea (Chair of the Intergovernmental Panel on Climate Change [IPCC])** and **Manal Shehabi (University of Oxford)** also emphasized the need to look at just transitions from a broader perspective. In particular, Jim Skea highlighted that the scope of the application of the term just transition has expanded. He recalled that, "...at COP24, [just transition was discussed in the context of] the consequences of exiting coal, [and] in different context, the application has moved from coal to fossil fuels in general; from transitioning out of fossil fuels and transitioning into low carbon form of energy including renewable energy; from energy supply to energy demand, including energy access, from energy to land use and agriculture, from mitigation to resilience and adaptation, including the role of women..."

Manal Shehabi also highlighted that climate change impacts have uneven impacts which are exacerbating existing vulnerabilities. At the same time, she said, "Parties' climate, energy, and trade measures can have negative impacts on other Parties, [with] developing countries being most impacted."

At the report back session during the closing plenary, the various co-facilitators from the

breakout groups of the dialogue, emphasized the need to look at just transitions from a whole of economy approach, looking at all economic sectors and not just the energy sector, but also other sectors such as agriculture, tourism, transport and industry, given the magnitude of structural changes required for the transition. The role of international cooperation to address certain structural imbalances globally was also highlighted, with the need of paying attention to the role of global trade. Further, they also said unilateral measures should be minimized while regional and multilateral cooperation needed to be strengthened. It was also reported that there are fragmented support and gaps in the provision of means of implementation to developing countries.

Following the dialogue, a contact group on the JTWP was convened on 4 June, and also saw an exchange of views among countries on how the programme will be implemented in accordance to the mandate coming from Dubai. The joint contact group was co-chaired by **Marianne Karlsen (Norway)** and **Kishan Kumarsingh (Trinidad and Tobago)**.

A draft [text](#) for further negotiations was released by the Co-chairs late night of 4 June. Parties will meet again to deliberate on the draft text. Further details will follow.