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Countries outline expectations on Just Transitions

Kuala Lumpur, 28 Nov. (Hilary Kung) – Ministers and Heads of Delegations shared their expectations on what the Just Transition Work Programme must deliver at the <u>second annual high level ministerial roundtable on just transition</u> which took place on 18 Nov 2024 in Baku, Azerbaijan.

The ministerial roundtable provided a platform for a political discussion on the implementation and direction for the United Arab Emirates Just Transition Work Programme [JTWP], while negotiators at the informal consultations at the technical level sought to arrive at a decision to advance the work programme. [No substantive outcome was possible at the conclusion of COP 29, owing to divergences between developing and developed countries, with developed countries seeking to narrow down the scope of the JTWP.] [See TWN Update 13 for further details.]

The Ministerial Co-chairs were Yoko Alender, Minister of Climate of Estonia and Kerryne James, Minister of Climate Resilience of Granada.

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Nabeer Munir, the Chair of the **Subsidiary Body for Implementation [SBI]** said in his reflections from the first year of implementation of the JTWP that the programme will not be truly just if the platforms are only given to decision-makers, and that focus should be on the importance of the work programme for the outside world.

Below are some of the highlights from the roundtable discussion, which clearly revealed how developing countries and developed countries view the JTWP.



Third World Network is an independent non-profit international research and advocacy organization involved in bringing about a greater articulation of the needs, aspirations and rights of the peoples in the South and in promoting just, equitable and ecological development.

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Tel 60-4-2266728/2266159 Fax 60-4-2264505 E-mail twn@twnetwork.org Website https://twn.my/ Kenya for the African Group outlined five main focuses of the discussion under the multilateral space, which include: "(1), the implementation of the PA goals in the context of equity and common but differentiated responsibilities and respective capabilities [CBDR-RC]; (2). Developed countries' Parties should take the lead in emission reductions, pursuant to Article 4 of the PA, and should consequently achieve net zero emissions earlier developing countries and developed countries to pursue their just transitions while recognizing that pathways will differ in timing, cooperation for developing countries to allow policy and fiscal space towards sustainable development, with a view of achieving an orderly and equitable transition amongst Parties; (3) Adaptation in the context of just transition approaches is extremely important for Africa in light of international barriers and challenges; (4) Climate finance provided by developed countries should be commensurate with the mitigation, adaptation and loss and damage needs of developing countries in line with the 1.5 degree C temperature goal, in line with nationally defined priorities and provided primarily through international public finance and instruments that do not lead to further indebtedness of developing countries; [and] (5) International barriers and challenges must be addressed, notably the transboundary impact of climate change related to policy related to response measures, international policies, rules, measures, on trade, tax, debt that have direct and indirect impacts on the viability of fairness transition planning implementation, for especially developing countries and least developed countries [LDCs]. Domestic policies, rules, measures such as (Carbon Border Adjustment Mechanism) CBAM and IRA (Inflation Reduction Act) that have significant outward impact, particularly for developing countries. All these points must be considered and addressed through the JTWP."

More specifically, the group suggested establishment of "the necessary mechanisms and processes to complement the dialogues, for example technical papers; establish dedicated task teams nominated by Parties to support these objectives and develop a draft framework and tool for considerations by the CMA [Conference of Parties to the PA]."

Tuvalu, for the Alliance of Small Island States

(AOSIS) said that, "The JTWP should offer clear frameworks and guidance that allow countries to define their just transition pathways within the context of sustainable development and poverty eradication. These frameworks must acknowledge and adapt to the unique socioeconomic realities of different regions; focus on poverty, eradication, and sustainable livelihoods. For this, poverty, eradication. and sustainable economic development are core objectives. We expect a work programme to promote initiatives that target poverty, eradication, reduction, as part of climate transition, such as promoting climate-resilient jobs and protecting vulnerable communities from climate impacts....The work programme should collaborate across governments, private sector, [and] civil society to ensure inclusive, transparent, equitable transition.

Ethiopia, for the LDCs said that, "For LDC, just transition must prioritize energy access, poverty reduction [and] eradication, debt sustainability, social equity, and the adequate provision of means of implementation." Elaborating further, it said, given that agriculture and natural resources dominate the informal economic sector in LDCs, it "is essential to prioritize social protection for both formal and informal workers and communities at risk of being left behind. We also recognize the importance of adaptation indicators which are critical for measuring progress in enhancing climate resilience and ensuring sustainable climate resilience as well as just development. In this context, we call for strong international cooperation to provide the financial resource, technology transfer, and the capacity building needed for our sector."

"We need an outcome under the JTWPWe need to scale up capacity building efforts and technology transfer while avoiding technology dumping of older technologies ...on LDCs, said **Ethiopia** further.

Colombia said for its country, just transition is a whole of economy transition. As a coal exporter and oil producer, it needs to think what are the sectors in its economy that could replace the fiscal income and dependency on the export of fossil fuels, in the time that the science has stated and what we have agreed to in the PA to stabilize the temperature at 1.5 degree Celsius.

Further, it said "it is not an endeavor that has been done before in history, creating a new sector in the economy in the time of a decade to replace the income from fossil fuels."

"When you ask how can international cooperation provide the support, we replied [that] with the current financial system and economic process and inequality, it is very difficult to make the transition [happen]. That's why emissions keep increasing and production of fossil fuels keep increasing. Because [no one] would put [the] economy at risk first without the guarantee to move forward. Said Colombia further. It said that this is not an excuse to not do but a review of the collective goal on finance will be more expensive, it said further, in an apparent reference to the global stock take under the PA which takes place every five years.

It said further that "We have to talk [about] fair access to capital, trade agreements and how to deploy technology in an effective way, supply and demand of fossil fuels, the deep fossil fuel economy question. Until now [these issues] in this process have not been addressed and because we don't address them, ...we don't get the solution." It believed that there is opportunity for this "but we need to shift the conditions of power. Otherwise, we will reproduce the same inequality of development we have now".

Colombia went on to ask how Parties "can we work together to bring a transition regime for life and [an] economic transition regime that puts public finance first and is able to lower capital access for the transition as a political part and not leave it to [the] market on who can access and who cannot access capital." It added further that what is worse are the credit rating agencies that downgrade a country's rating and brings the currency of a country down and it is time for politics and multilateralism to take control of this and enable the change to happen.

Egypt stressed that "the just transition pathways should lead us to both low-emission economies and to more resilient economies if we are truly to uphold the notions of climate justice. Furthermore, we must differentiate between national and international context." Elaborating further, it said, "the intention [of COP27 to establish the JTWP] was to create a space for dialogue that would enhance international cooperation as a driving force to enable implementation and raise ambition

in national climate policies, and to enable countries to pursue their nationally determined transition strategy, which must be coupled with their defined development priorities and include protection, so as to mitigate potential impacts associated with the transition. The enabling international environment is not only limited to the provision of support from developed to developing countries, but should also include refraining from unilateral trade measures that hamper national efforts in achieving sustainable development and poverty eradication as prerequisites to the implementation of ambitious NDCs [Nationally Determined Contributions] and NAPs [National Adaptation Plansl."

"As for the implementation of NDCs and NAPs in the national context, all three needs of implementation are critical in integrating just transition viz. finance, capacity building and technology transfer, with a strong emphasis on finance, acknowledging the need to understand cost estimates in order to calculate the total financial resources required for implementing just transition initiatives," said Egypt further.

India said that "Global climate justice is at the core of our work here under the Convention and its PA. The principles of equity and CBDR-RC are foundational to all work under the Convention and its PA. It is high time that these principles are actually well understood by all in context of the global climate action. The principles have embedded within themselves the historical emissions and consequent responsibilities on parties and the aspirations of development for the developing countries. Development is the overriding priority for countries of the global South. The fact of stark inequalities in access to energy, infrastructure, amenities, and well-being are not hidden from the world."

It added further that "developing countries like India have per capita energy consumption at one third of the global average, not to compare with the average of the developed countries, which is much higher. Our understanding and operationalisation of just transitions must foreground the fact of these vastly different starting points and national circumstance. At COP27 it was decided that the issues of just transition are not very narrow, but are linked to wider economic and social aspects of the transition, among others. The denial of

international equity narrows our domestic options and poses further challenges to our objectives of achieving immediate, rapid, and sustained access to development opportunities and affects the most vulnerable communities in our countries the most.

India further said that "therefore, the global dimensions of just transitions must be recognised and reflected in the work being undertaken at COP29. In the spirit of international cooperation that is embedded in this multilateral process, our discussion here must include discussion of key enablers and dis-enablers of global just transitions. Let us discuss unilateral coercive measures that restrict trade flows and restrict countries from accessing equitable development opportunities."

It called for discussion on "the question of intellectual property rights on green technologies, which hinders their free and scalable access to developing countries. Let us discuss the carbon debt that is owed by developed countries to developing countries for their overuse of the global carbon budget. Monetization of this carbon debt would be in trillions. Let us discuss the science that guides all climate discourse - whether it is based considerations of global eauity environmental justice? Let us discuss how the inequity continues to be perpetuated in the climate discourse. Let us discuss the choices of citizens in developed countries being sacrosanct vs the costs imposed on the citizens of developing countries due to transition. Let us discuss the promotion of sustainable lifestyles that we all agreed to at the United Nations Environment Assembly in Nairobi this year."

India said that "a frank discussion of these issues and their inclusion in our decisions taken at COP29 will be the cornerstone of building trust that would unlock a truly equitable and just global transition. Therefore, we feel it is premature to discuss just transition pathways in context of NDCs and NAPs. Just transition has to begin with transition in developed countries. We underscore the need for developed countries to take lead in transitions to achieve net zero emissions by end of this decade not only to provide carbon space for developing countries but also to lower the costs of transition unduly put on citizen of developing countries. Provision of adequate means of implementation is the most critical enabler for just transitions. At the same time, transitions in developing countries should not be seen as investment opportunities.

They undermine the 'just' element of just transitions by making the victim pay up for remedies rather than providing him the remedy," it stressed further.

India called on Parties to "work with the aim to strengthening the work programme implementation. At the same time CBDR-RC, equity and climate justice should be core for discussions of just transitions pathways and should not be seen as another platform to push for prescriptive top-down approaches in disregard to the nationally determined nature of transition pathways. Just transitions must be just."

China said, "The road to carbon neutrality and climate adaptation will require profound systemic changes to the economy and society, and developing countries will undoubtedly face more difficult and complex challenges. Just transition will help countries to implement their national policies and ensure the parallel advancement of the climate governance goals of the Convention and the PA as well as the Sustainable Development Goals [SDGs]. The realization of a just transition requires establishment multi-stakeholder of a cooperation mechanism under the Convention to jointly address the transition challenges."

It then suggested the following priorities, "First, refine and clarify the mandate and work arrangements of the JTWP. COP28 has identified the scope and form of the work programme, but the specific tasks, timelines and outcomes remain unclear. Secondly, refine and clarify the support to developing countries in implementing a just transition, as referred to in the COP 28 decision. As developing countries face multiple challenges on their way to carbon neutrality and in implementing a just transition, they need support from the international community in terms of technology, finance, etc. We need to further clarify how developing countries will receive such support and the response is a long-term challenge; so is just transition, requiring the establishment of a sustained support mechanism to help developing countries carry out their work." "Thirdly, interference and obstacles should be removed and international cooperation strengthened. All Parties should do more practical work conducive to solidarity and cooperation, avoid any form of protectionism and unilateral measures, and make joint efforts to promote a just transition to create a favourable environment for achieving the PA goals and the SDGs," said China further.

The **United Kingdom [UK]** reiterated that the "commitments to 1.5 degree Celsius" and the "transition away from fossil fuels as agreed at COP28". It also highlighted the "need to build on the findings of the just transition dialogue this year, which means recognizing the importance of workforce, education system, labour rights and social protection enabling a just transition".

The **European Union [EU]** said, "[to keep the] temperature limit within reach, [it] requires quick and impactful action also on the ground. And for those who happen, it is essential for the EU that domestic climate policies be operationalized for a truly systemic transformation. In this context, the JTWP is a key tool to reach net zero greenhouse gas emissions as soon as possible, like reaping the

transformative social, economic and environmental benefits of these necessary transitions....the EU sees the JTWP as enabling higher ambition for accelerated mitigation and adaptation. We have to continue our social development and economic growth through job creation, improvement in job quality, education and training, economic diversification and social protection measures....And in this context, the ITWP is, in our view, a global reformation and a key tool to make sure that this transition is first and foremost about all of our people. And just to articulate what others have stressed as well, the benefits and the fairness of a just transition is huge. It would include job creation, improvements in job quality and incomes, education and training. It would imply economic diversification. It would imply social protection measures and access to essential services, such as a clean affordable energy and public transportation."