

Incorporating Just Transition Strategies in Developing Country NDCs and post-Covid responses

Increasing climate ambitions while managing the Covid-19 pandemic is a challenge for all countries. A Climate Strategies project explores how the Just Transition concept can be applied in developing countries to integrate emission reduction and long-term sustainable recovery.

Background

Just transition has been established by government Parties to the United Nations Framework Convention on Climate Change and the Paris Agreement as a key socio-economic element of the policies and measures.

Just transition is increasingly considered at the national and regional levels, particularly in the context of supporting those impacted in vulnerable industries and communities who face marginalisation in the low-carbon transition.

However, and while it is implemented widely in developed countries, there has been relatively little practical application of just transition in developing countries. There is also little guidance of how commitments to deliver a just transition could be introduced into their voluntary Nationally Determined Contributions (NDCs), the national climate plans submitted to the UNFCCC which set out how countries intend to reduce emissions and respond to climate impacts.

This project explores **three regions**: *South America, Southeast Asia and West Africa*, with a deep-dive case study of one country within each of the selected regions (*Colombia, Indonesia and Ghana, respectively*), to generate recommendations for successfully integrating just transition strategies into NDCs and Covid responses. It also introduces the potential role for investors and donors facilitating just transitions strategies of governments.

Ghana, Colombia, Indonesia: Project case studies



Project objectives

- Develop clear and specific recommendations to facilitate the inclusion of just transition concepts in the revised NDCs to be submitted in the run-up to COP26.
- Engage with investors and donors about the inclusion of just transition strategies in their criteria for investment with government and partners in developing countries.
- Create links between investors and donors with governments for consideration of the technical, capacity building and financial requirements necessary for the reforms required for the delivery of a just transition.
- Bring together key stakeholders with governments to establish relationships essential for long-term integrated transition planning.
- Recognise informal workers who are currently overlooked in just transition dialogues and remain unprotected in state Covid responses, yet make up a significant proportion of developing country labour markets.

Methodology

1. Collecting information to identify the status of key elements to be considered in the analysis and provide an overview of the three regions and case study countries.

2. Analysis of the collected data and stakeholder engagement to validate the findings and subsequent recommendations.

Key Observations and Findings (as of end of 2020)

The economic and social situations of each region and country are vastly different.

Labour market management is directed at job creation rather than transition.

While Covid-19 impacts are common across the regions, climate impacts are vastly different.

Responsibility for climate policies is coordinated across ministerial portfolios in all countries.

The countries' governments do not seem to link their Covid-19 response with strategies to manage climate change impacts or their NDC commitments.

Just transition is not yet a concept considered by many governments nor are labour markets commonly considered in climate strategies.

All countries have a high share of informal workforce, most above 50% and many closer to 80% of the total workforce.

Meaningful and informed participation by stakeholders in climate policy occurs in Colombia, involves only the business sector in Indonesia and does not occur in Ghana.

In summary, the regulatory, institutional, and civil society structures in many developing countries lack the capacity to support the delivery of just transition. To that end, commitments to just transition may require a programmed or staged introduction over an extended time period as capacity is developed.

1.

Understand what just transition means in the national context and share relevant findings for the regions.

2.

Clarify the relevance of just transition strategies for governments' development objectives, climate change policies and pandemic responses. Investigate if and how investors can provide leverage to facilitate this outcome.

3.

Establish a link between governments with donors and investors to ensure the necessary technical cooperation is available.

4.

Develop pathways for governments to begin the process of delivering just transition that is appropriate to the regional and domestic situations.

