

Climate Strategies

Lessons from international research and practice to enhance ambition and implementation in the Just Transition Work Programme

Climate Strategies' submission to SBSTA and SBI on the work programme on just transition pathways referred to in the relevant paragraphs of decision 1.CMA.4



Background

To enhance ambition and implementation, a broader concept of Just Transitions should guide climate goals, emphasizing procedural and distributional justice dimensions of climate action. The decision to establish a new ‘work programme on just transition to discuss pathways to achieving the goals of the Paris Agreement’ (JTWP) at COP27, with a draft decision for consideration and adoption by Parties to be prepared at COP28,ⁱ is a crucial opportunity to advance Paris Agreement goals by centring a Just Transitions approach within the UNFCCC. This decision along with references in the *Sharm el-Sheikh Implementation Plan (SHIP)* and the *Glasgow Climate Pact*, reflect a progression of Just Transitions in international climate negotiations.^{ii,iii} The issue has expanded beyond the energy sector, making it more representative of issues relevant to developing countries and supporting an alignment of climate and development goals. Moving from a narrow focus on the negative effects of response measures on the energy sector workforce, to a broader framing of Just Transitions brings greater transformative potential to the agenda.

The *SHIP* affirms that Just Transitions are founded on social dialogue and emphasizes that enhanced, effective climate action should be implemented in a manner that is just and inclusive while minimizing negative social or economic impacts that may arise from climate action. The JTWP must contribute progress towards the goals of the Paris Agreement, as outlined in Article 2, paragraph 1,^{iv} within the context of Article 2, paragraph 2. Activities will include an annual high-level ministerial round table on Just Transitions, beginning at COP28 in Dubai.

Climate Strategies has been a thought leader on Just Transitions across multiple sectors and geographies. Over the past five years, our [South-to-South Just Transitions \(S2S\)](#) project has conducted domestically led research with nine partners in the Global South. Based on findings from our research on policies and practices for Just Transitions – drawn from a number of relevant projects and initiatives – this briefing provides insights into how the JTWP can be operationalised to support greater climate implementation and ambition internationally.

How to operationalise Just Transitions

The following practical recommendations on how Just Transitions can create and reinforce climate ambition and implementation build on the ILO Guidelines for a just transition (2015)^v and SEI’s *Seven principles to realize a just transition to a low-carbon economy* (2020),^{vi} with insights from research, policy and practice in both the Global North and South. Ambitious climate policies are urgently needed; as they are planned and implemented, it is essential to:

- 1) **Have access to reliable information about how climate action might create new opportunities, but also new costs or risks for certain groups** – data and analysis, and analytical methods need to be available to stakeholders who will be affected by the transition. These tools must also be available to stakeholders who might play a positive role in managing the transition’s impacts.

- 2) **Create and maintain forums for engaging a wide range of stakeholders** – governments need to find new mechanisms for internal coordination between and within different levels of government, and for listening to (and sharing information with) different stakeholders. This is particularly true for groups who tend to be marginalised in planning discussions while being particularly vulnerable to the unintended impacts of ambitious climate action.
- 3) **Understand how national and local contexts may influence the impacts of climate action, and the challenges in ensuring Just Transitions** – solutions to support regions and communities affected by transition should be place-based and locally owned (ideally, locally developed and led).
- 4) **Balance the need for consistent policies that support early planning for long-term objectives with strategies that can be adaptive to unforeseen changes** – political leadership is critical to prioritising climate action and social justice; this action should be complimented with ongoing monitoring and evaluation that allows for policy course correction.
- 5) **Ensure that the policy and fiscal environment is oriented towards helping regions affected by the transition in order to create thriving, diversified economies** – for example, ensuring that social protection is accessible to those vulnerable to the impacts of transitions, promoting access to decent jobs and reskilling opportunities, supporting entrepreneurship, technology development and innovation, and investing in public infrastructure that can help transition regions (e.g. improved mobility, communications, etc).
- 6) **Coordinate needs-based finance that increases both adaptive and mitigative capacity** – country and sector-specific pathways for Just Transitions need to promote recipient priorities over those of donor countries and leverage additional sources of public and private investment. Greater coordination between development and climate finance can help address the adaptation finance gap.

In the era of the “poly-crisis,” when we do not have the time to tackle challenges separately and sequentially, Just Transitions support cross-cutting, integrated, and multi-level policy solutions. Although planning and operationalising Just Transitions occurs mostly at the national and local levels, technical support on Just Transitions can support collective action to identify and overcome common barriers and limitations and help strengthen political will to further progress on the ground.

Challenges and opportunities for Just Transitions in the Global South

A just and equitable approach to climate action can raise ambition in the global South by strengthening financial and institutional capacity. This, in turn, can increase adaptive and mitigative potential. It is partly the scale of unmet development needs that undermine many countries’ capacity to adapt to climate change and reduce emissions.

To date, much of the discourse and debate around Just Transitions has focused on contexts in the Global North. Yet countries in the Global South face major challenges in adapting to the impacts of climate change while simultaneously looking to orient towards opportunities in the green economy.

These challenges are typically exacerbated by circumstances of low income, high poverty rates and heightened gender and social inequality. In such contexts, stakeholders affected by transitions to climate-resilient, sustainable economies often have limited time and few opportunities to participate in planning processes.

For the last three years, Climate Strategies has been working with research partners in [Colombia](#), [Indonesia](#), [Ghana](#), [Argentina](#), [Bangladesh](#), [Kenya](#), [Malawi](#), [Laos](#), and [Vietnam](#) to develop country-specific insights into the opportunities and challenges of Just Transitions.^{vii} This work has highlighted a range of issues that planning Just Transitions in the Global South may need to contend with. These include:

- The high rates of informality, and even illegality, in employment in some sectors facing transitions. This not only makes these workers even more vulnerable to structural economic changes, but it also means many affected workers may have no access to social protection systems that could otherwise help buffer the impacts of a transition to more sustainable economies.
- The high number of people whose livelihoods depend, directly or indirectly, on sectors that are likely to be affected by climate action, in particular, agriculture but also sectors like transport.^{viii} Without mechanisms that can meaningfully support a just process and focus on just outcomes, a transition is likely to be resisted and, where it does proceed, to have huge impacts on people whose livelihoods are already vulnerable.
- The highly unequal nature of energy access in many countries. This makes it imperative that the energy sector transition considers this (to ensure new barriers to access are not introduced) but also that the energy sector transition should be deliberately designed to improve energy access while simultaneously reducing the carbon intensity of energy production and consumption.
- The imperative of designing and implementing transformative adaptation and resilience measures. Vulnerability to climate impacts is high across much of the Global South, and adaptation is urgent but – like mitigation – can create myriad impacts on the livelihoods of vulnerable people. It is essential that measures are carefully designed to ensure that the objectives of Just Transitions are achieved; otherwise they risk being maladaptive.

How can the Just Transition Work Programme enhance ambition and implementation?

A well-designed JTWP could enhance operationalisation of Just Transitions internationally by:

I. Building a common understanding of the concept within the context of nationally and locally defined priorities:

Beneath the initial consensus of the Sharm El-Sheikh Just Transitions agreement lie divergent pathways and theories of change about the means and end goals of Just Transitions. A mutual understanding of Just Transitions can create a useful framework for knowledge-sharing and inter-

country collaboration, while also allowing flexibility for country-specific priorities and perspectives. While states may differ in contexts and relevant sectors, the planning of Just Transitions reveals numerous shared challenges where common ground can be identified. The JTWP may benefit from sectoral-focused dialogues. These dialogues can serve to strengthen collaboration and build a common understanding of sectoral transitions between governments, business and civil society. The Breakthrough Agenda provides a relevant example of how plurilateral agreement with a sectoral focus can strengthen international collaboration to accelerate transitions. This success story could provide a model for sectoral discussions under the JTWP.

II. Incorporating Just Transitions into national climate pledges:

Out of 166 countries that have submitted Nationally Determined Contributions (NDCs), only 62 have directly referenced Just Transitions in their enhanced/updated NDCs.^{ix} NDCs set the overarching climate objectives at the country level and therefore offer an opportunity to operationalise and contextualise Just Transitions within the national climate agenda.^x Given the reporting requirements on the implementation of NDCs, the incorporation of Just Transitions into enhanced/updated NDCs would allow for greater transparency and accountability on progress towards Just Transitions.

III. Raising the political profile of discourse around Just Transitions:

The JTWP introduces an annual high-level ministerial round table on Just Transitions. This the first such roundtable within UNFCCC forums and work programmes that centres Just Transitions as a key feature in the negotiations. These meetings offer an opportunity to raise the profile of Just Transitions amongst high-level political actors, increasing awareness of key factors influencing progress at the international, national and regional levels. Examples from Argentina and Colombia (see Annex) emphasize the importance of high-level political buy-ins for inter-ministerial collaboration. In Argentina, conflict among ministries with different priorities and political polarisation have slowed the planning and implementation of Just Transition strategies.^{xi} While in Colombia, a high level of political buy-in has allowed the country to develop a unified vision for Just Transitions, including a cross-sectoral plan to accelerate Just Transitions in four key areas: labour, energy, climate, and industry.^{xii}

IV. Coordination and cross-fertilisation of learnings from activities on Just Transitions across the UNFCCC and beyond:

The work programme must be implemented in a manner that builds on and complements existing UNFCCC workstreams. The JTWP provides a dedicated forum to coordinate and further Just Transitions work in a cross-cutting manner without duplicating existing activities. Practical opportunities for collaboration across the UNFCCC workstreams include jointly held workshops as well as the appointment of focal points to liaise with other constituted bodies and workstreams, as practised by the Standing Committee on Finance. Related activities to be built upon and integrated with the JTWP include:

- Coordination with the **New Collective Quantified Goal on Climate Finance (NCQG)** (to be agreed by Parties prior to 2024) will be important to ensure sufficient finance for Just

Transitions^{xiii} as well as the equitable delivery of the NCQG in a manner that supports national and locally-defined priorities and pathways for Just Transition. Technical aspects of mitigation and adaptation require significantly more finance; international support for countries in the global South must therefore be realised.

- The end of the first **Global Stocktake (GST)** at COP28 offers ‘a moment for course correction’ and the delivery of a roadmap with ‘solutions pathways’ that drive immediate action. Where the GST recommendations relate to equitable climate action, the JTWP must build on these to guide its activities and establish priority areas of focus. The JTWP could also feed into the GST by establishing metrics for successful Just Transitions and acting as a hub for countries to share updates on progress.
- A recent Just Transitions Forum organized by the **Standing Committee on Finance (SCF)**^{xiv} highlighted the need to broaden the discussion beyond the private sector and energy sector to include transport, agriculture, water, waste, and forestry sectors, among others. The JTWP can share lessons with the SCF on the role of conventional and innovative financing instruments and mechanisms such as fiscal incentives, investment de-risking, public-private projects and partnerships, market mechanisms, and platforms and funds for Just Transitions.
- The **Forum On The Impact Of The Implementation Of Response Measures (RM)** and the **Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI)** have an existing remit in terms of Just Transitions of the workforce, including skills development and the creation of decent jobs. Most studies highlight the positive net impact of environmental policy measures on employment. However, there is a risk of job losses in fossil-fuel-dependent areas with limited diversification opportunities and in sectors which hold a large share of employment in the region (e.g. agriculture).^{xv,xvi} The JTWP should complement work by the RM and KCI to develop an understanding of the macroeconomic, industrial, sectoral, social protection, skills, social dialogue and labour policies that support Just Transitions.
- Just Resilience applies principles of Just Transitions toward adaptation and resilience policies in order to manage the unequal burden of adapting to climate change and to ensure no one is left behind. The JTWP is therefore of relevance to the **Global Goal on Adaptation (GGA)** and **Adaptation Agenda**, as all nations will need to build resilience and adapt to climate impacts while maximizing the co-benefits of inclusive national adaptation strategies. This also involves enhancing financial and institutional capacity by developing structurally appropriate financial mechanisms to support both Just Transitions and adaptation policies, particularly in the Global South.

Outside of the UNFCCC, the JTWP can act as a hub for knowledge sharing by providing online access to national and regional case studies on Just Transitions, as well as linking to existing repositories such as the *Climate Investment Fund Just transition Planning Toolbox*^{xvii} and the Wuppertal Institute’s *Just Transition Toolbox for Coal Regions*.^{xviii} To help national, regional (sub-national), and local planning and implementation of Just Transitions, the JTWP could provide support by assisting parties in

identifying resources, building a repository of potential financing sources for Just Transitions, offering capacity-strengthening resources, and providing technological support.

V. Enhancing participation by actors involved in the on-the-ground realities of Just Transitions, particularly underrepresented and marginalised voices:

Multi-level and multi-stakeholder engagement is a fundamental principle of just and inclusive transitions. The JTWP must ensure the engagement and participation of varied stakeholders – particularly underrepresented and marginalized voices – along with practitioners at the level of local implementation. The engagement of a wide-range of stakeholders allows for the identification of synergies and co-benefits and the negotiation of trade-offs across different sectors, increasing buy-in for transformative changes across society. A participatory approach can help engender more open and honest dialogue, as well as ground the negotiations using tangible examples and experiences. Successful collaboration seen in the Nairobi Knowledge-to-Action hub, which engages a diverse range of partners across various thematic areas and sectors to respond to adaptation knowledge needs at different levels, presents a promising model. This model can be emulated to tackle the overarching theme of Just Transitions, ensuring a comprehensive and inclusive approach at the local, sub-national, national, and regional levels.

Integrating top-down and bottom-up approaches ensure decisions made during the negotiations respond to subnational interests. The EU's Just Transition Mechanism presents an example of an integrated approach to Just Transitions in the energy sector, harnessing supranational financial, technical and administrative support to build capacity and implement Territorial Just Transition Plans that address locally specific needs and challenges.^{xix} Kenya's engagement on the topic of Just Transitions also illustrates how top-down and bottom-up approaches can be integrated to facilitate participatory engagement. This engagement links political negotiations with context specific realities and connects development with climate action. Kenya's NDC highlights the importance of Just Transitions, whilst a strong environmental civil society network and county-level climate leadership grounds the country's climate policies in local needs^{xx}.

Weaving together the interconnected challenges and opportunities of a transition in a specified territory requires space for open participation from diverse voices to bring forward their own unique positions on transitions and development. These conversations can only progress at the pace in which trust can be built; as communities that have suffered from historical oppression will present holistic justice demands that are hard to address. We now need a new stage of international cooperation on Just Transitions that is compatible with and complimentary to local dialogues. This approach should embrace difficult conversations in order to build greater shared understanding. The JTWP could provide a structure for these conversations by consolidating challenging discussions taking place across the UNFCCC into a cohesive policy steer.

About South to South Just Transitions

South-to-South Just Transitions (S2S) is a multi-layered (and multi-year) initiative that supports and empowers countries in the Global South to advance research on Just Transitions in diverse national contexts. Our project currently works with research partners in nine countries in the Global South to develop national recommendations for strategies on Just Transitions. The initiative aims to spearhead Just Transitions by identifying cross-cutting issues, challenges, opportunities in key sectors, drawing from applications in diverse countries of the Global South.

About Climate Strategies

Climate Strategies is an international, not-for-profit research network with a Secretariat based in the UK and the Netherlands. Our international network includes some of the foremost thinkers and researchers on a range of multidisciplinary climate change topics. Climate Strategies enables its members and other researchers to place impact at the heart of their research. We catalyse climate action by providing robust evidence for decision-making and facilitating meaningful interactions between decision-makers and researchers.

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Annex: Case Studies

The case studies on Just Transitions presented below are based on findings from a number of climate policy research projects in which Climate Strategies is a collaborator: [South to South Just Transitions \(S2S\)](#), [the Economics of Energy Innovation and System Transition \(EEIST\)](#), [Oil & Gas Transitions \(OGT\)](#), [Strengthen National Climate Policy Implementation: Comparative Empirical Learning & Creating Linkage to Climate Finance \(SNAPFI\)](#) and the [Initiative for Coal Regions in Transition \(CRIT\)](#).

A. Just Transitions Support Economic Diversification in Colombia^{xii}

In Colombia, mining and fossil fuels account for 71% of exports, 7% of GDP and 500,000 formal jobs in a country where informality rates reach 50%. Additionally, in 2021, Colombia's Gini coefficient was 0.52, making it one of the most unequal societies both regionally and globally. Colombia is committed to climate action, aiming to cut GHG emissions by 51% by 2030. The country has also committed to Just Transitions in its most recent NDC, placing an emphasis on social inclusion and equality. Decision-makers have evidenced an interest in cooperating with non-state actors to take a participatory approach to planning cross-sectoral Just Transitions in four key areas: labour, energy, climate, and industry. Just Transitions in Colombia are therefore providing an opportunity for the country to build state capabilities, diversify the economy, and share the benefits of green growth across society. [Read the full report here.](#)

B. Just Transitions as an Opportunity to Unify Climate and Development Agendas in Kenya^{xx}

Kenya demonstrates strong connections between development goals and environmental goals at the country level, where climate change units, plans and policies are incorporated into Country Integrated Development Plans (CIDPs) to guide climate actions across sectors. At the national level, Kenya's Climate Change Act (2016) forms the basis of the country's legal framework. While Just Transitions are not yet integrated into the national development agenda, the country's 2020 NDC references Just Transitions. By incorporating Just Transitions into the national development agenda, Kenya could act as a regional leader in sustainable development, leverage benefits across sectors, and tap into broader funding opportunities to support just climate action. For example, the Kenya Forest Conservation and Management Act 2016 and draft Forest Policy 2020 aim to increase forest cover from 6% to 10%, but risks affecting 3 million people's livelihoods. Implementing this change with principles of Just Transitions in mind could enhance conservation, create new job opportunities, and support broader development agendas. [Read the full report here.](#)

C. Just Transitions Improve Energy Security and Increase Capacity in Vietnam^{xxi}

The Vietnam JETP Political Declaration announced a \$15.5 billion deal, including clear ambition to avoid the construction of new coal plants, negotiate the closure of old and inefficient plants, plan an emissions reduction pathway to phase out unabated coal-fired power generation, and scale up of renewables to 47% of electricity generation by 2030. In addition to reducing emissions, this transition could reduce national spending on coal imports, increase energy security, improve the trade balance, and free up funding for other national initiatives. However, the energy transition will need to be carefully managed, as the coal industry employs roughly 122,000 workers (TKV, 2022), with an additional 4500-5000 workers joining the industry annually. As plants are retired and energy production shifts to cleaner sources, the number of people employed in coal mining and coal-fired plants will decrease dramatically. To manage these impacts, the JETP will need to invest in enhanced social dialogues, regulatory and investment frameworks, and broad stakeholder participation.

Investing in these state capabilities could also have a ripple effect, supporting the achievement of sustainable development goals outside the energy sector. [Read the full report here.](#)

D. The Socio-economic impacts of coal transition in China: a regional challenge

Upcoming research by the Economics of Energy Innovation and System Transition (EEIST) Project uses a micro-simulation model to explore the effect of China's energy transition on jobs and taxes linked to the thermal coal industry. Using asset-level data, the analysis finds that the transition away from coal could be net-positive for China's public finances, even without accounting for climate change. The challenge will be to manage the distributional impacts of tax revenue decline for provincial governments. China's national government can play a role in redistributing savings from phasing out coal subsidies in less affected provinces to target financial, social, and investment support policies to the most affected provinces. Also, under current policies employment in the coal sector will continue to decline due to improving productivity. Coal jobs will disappear even more rapidly under stronger energy and climate targets. Large and highly labour-intensive coal-producing provinces – such as Inner Mongolia, Shanxi, Shaanxi, and Xinjiang - will face the greatest impact of job losses. Therefore, transition management measures should be geographically focused and linked to regional development planning. [Read the full report here.](#)

E. Hidden disparities on the road to net-zero: Identifying areas of opportunity and risk

A net-zero transition has uneven socio-economic impacts, creating winners and losers. These disparities are not always fully considered in economic models, meaning policy might not take them into account. Using a leading macroeconomic model, recent research found that a 1.5°C transition could generate impacts on employment and trade that are more drastic, both positively and negatively, than economy-wide metrics might suggest. This structural change could represent significant economic upsides for some locations, particularly in net fossil fuel importer countries, where decarbonisation improves the trade balance. Simultaneously, regions with large carbon-intensive industries could be at risk of post-industrial decline since demand and employment losses are geographically concentrated. This decline can be avoided by first identifying the regions and occupations particularly at risk in a net-zero transition. Transformative economic policies will be key to diversifying local economies, improving their resilience and enabling them to make the most of the opportunities of the transition. Key takeaways:

- A move towards net-zero offers many countries an opportunity to improve their trade balance;
- Regions that rely heavily on the fossil fuel industry risk post-industrial decline;
- Transformative policy will be more effective at reducing this risk than redistributive policy alone;
- Regions at risk can leverage existing industrial strengths to develop future export opportunities in the green economy. [Read the full report here.](#)

F. A coordinated top-down and bottom-up approach raises ambition and implementation in the EU^{xxii}

The EU's Just Transition Mechanism established in 2020 is a dedicated tool to support Just Transitions to a low-carbon economy in the most affected regions in all EU member states. The Just Transition Fund, one of three pillars of the Just Transition Mechanism provides 17.5 billion euros in grants to coal+ and carbon-intensive regions, with an additional 13.5 billion euros in grants and loans coming through Pillars 2 and 3, with aims to mobilise further private investment. To access the funding, Member States must draw up Territorial Just Transitions Plans (TJTPs), that highlight the specific social, economic and environmental challenges,

objectives and needs of the eligible regions as well as outlining the types of actions that will be supported by the Just Transition Fund. The TJTPs must be approved by the European Commission and must align with both national energy and climate plans and the EU's climate neutrality targets. In comparison to previous EU Cohesion Policy packages, the TJTPs are developed at a more local level, building capacity and centring the needs of local stakeholders in the transition. Additional support is provided by the European Commission through the Just Transition Platform, connecting stakeholders, providing technical assistance, and fostering knowledge exchange and good practices. The Just Transition Mechanism combines top-down and bottom-up approaches, building momentum and stakeholder buy-in through collective action and EU-level support as well as addressing the place-based needs of citizens and communities. The TJTPs are only recently entering the implementation stage, however, the preparations have so far proved successful in the identification and inclusion of targeted and locally specific measures.

G. Integrated Just Transition Agreements support economic activity, diversification and employment in Spain^{xxiii}

The Just Transition Agreements are a key mechanism of the Just Transition Strategy approved by the Spanish government in 2020, to support communities and territories affected by closures of coal mines and coal-fired power plants. The Just Transition Agreements are multi-lateral agreements between multiple levels of government: national, regional (sub-national) and local administrations, as well as labour unions and businesses, outlining regional action plans to support and protect workers and promote economic activity and diversification. The development of the Just Transition Agreements occurs through a broad public participatory process and is also supported by the Just Transition Institute created as part of the Just Transition Strategy which assists with the coordination of policies between various ministries and with regional authorities and municipalities. These policies are in many respects reactive, as the decline of the coal industry in Spain has already led to significant job losses in the coal mining sector, however, the Just Transition Agreements represent long-term integrated strategies that promote engagement and coordination across diverse governmental and non-governmental stakeholders and provide a clearly structured, transparent and time-bound process for Just Transitions.

H. The role of the Just Energy Transition Partnership in contributing to the implementation of South Africa's NDC: A new form of climate finance and international cooperation?

The Just Energy Transition Partnership (JETP) was announced amidst great expectation at COP26 in Glasgow, where Germany, France, the EU, UK and the USA together pledged \$8.5 billion to support the implementation of South Africa's Nationally Determined Contribution (NDC) and Just Transitions. Research revealed the importance of process for determining the financial offer, the participation of stakeholders, and the suitability of the JETP for the South African context. The JETP offered a new form of partnership to address some of the familiar stumbling blocks to progress in NDC implementation through international negotiations and domestic politics.

The JETP has provided a country-led platform, through which to articulate South Africa's financial needs of the NDC and Just Transitions, with which they could approach and hold industrialised nations to account and provide support. While South Africa – primarily through the development of the JET IP – has done the work to progress the JETP, its implementation has been confronted by a contested domestic political terrain which

poses a real risk to the JETP's progress. At the same time, the lack of detail about the offer provided by the IPG has created mistrust in the Partnership domestically. More broadly the inadequate transparency and reporting has eroded trust and optimism around the JETP.

The role of a domestic knowledge base in South Africa has been notable, with knowledge developed for the NDC, broader Just Transitions, and JET IP. This knowledge has provided the foundation for an evidence-based, national conversation to build support for the transition and address areas of contestation. The JETP has played a valuable role in accelerating the conversation about the implementation of South Africa's NDC, raising critical questions that have not been addressed up to this point. Part of this is about building the capabilities within and outside the state to affect the type of integrated implementation required by the JETP and Just Transitions. While the JETP holds much possibility, work lies ahead for South Africa and the IPG for it to deliver on its potential. [Read the full report here.](#)

I. Petroleum Transition Pathways in Norway. How do Norwegian stakeholders envision pathways to net-zero and phase-out for the country's oil and gas sector? ^{xxiv}

As part of a 'backcasting' exercise, policymakers and representatives of businesses and civil society organisations (including trade unions and environmental groups) developed two pathway scenarios for the Norwegian oil and gas industry: towards net-zero emissions by 2050 and a phasing out of all oil & gas activities on the Norwegian Continental Shelf by 2050.

The net-zero emissions by 2050 scenario has perceived acceptance from social actors. If this goal is to be reached with a science-based approach, deep-seated transformations in the global energy system will be needed alongside concerted efforts by the Norwegian government and from other social actors. Specific targets for the electrification of offshore installations, the roll-out of large-scale offshore wind power and technologies for capturing, using and storing carbon on the Norwegian Continental Shelf are key milestones in this scenario. While key obstacles include popular resistance to new renewable energy projects, increasing electricity prices and the risk this poses to plans for the electrification of offshore installations.

The phase-out vision lacks the perceived acceptance mustered by the net-zero target. The focus group participants agreed that a complete phase-out of oil and gas extraction by 2050 would likely require market conditions beyond the scope of the exercise and would not be achieved without an active state intervention in the form of a ban decided by parliament. The radical policies needed for a national phase-out were seen to carry many risks, not least in the form of a backlash from the public and challenges for the labour market. Just Transitions towards an oil and gas phase-out would therefore require active labour and social policies.

Policy recommendations include placing the debate for climate and energy transition policies along clearly defined visions and timelines. The Norwegian government needs to engage in tripartite relations with possible expansion to include other social actors. Moreover, the government needs to i) form a coherent transformation narrative, ii) establish unambiguous transformation goals that allow the concrete operationalisation of targets and standards, and iii) use the climate partnerships it has announced with relevant industries to enter into mutually binding obligations around transition policies. Social partners should

also actively develop and propose measures and interventions to support these transformational goals. [Read the full report here](#)

J. Living in the present, making the future: UK scenarios for the phase-out of oil and gas ^{xxv}

In the United Kingdom (UK), despite early ambition toward the phase-out of oil and gas, debates remain heated and practical action is slow and scarce. There is, therefore, a pressing need to consider the scenarios by which transitions away from these fossil fuels in the UK might be achieved. A scenario workshop in May 2022 identified 12 key intervention points that should be realised under government leadership and oversight: (1) Foster collaborative intergovernmental relations between Westminster and the devolved administrations of Scotland, Wales and Northern Ireland, which are effective at driving change and action. (2) Strengthen the governance of the transitions process. (3) Require the government to quantify and publish the estimated implications of continued oil and gas exploration, appraisal and production along with the median anticipated pathway and rapid exit scenarios. (4) Note proposals from the North Sea Transition Authority for a Climate Compatibility Checkpoint (CCP) test on new oil and gas offshore developments. (5) Make a firm decision to rapidly consent, construct and operate Carbon Capture and Storage (CCS), one project of which could be a Carbon Takeback Obligation – a mechanism for placing responsibility for an increasing portion of CO₂ storage or disposal on fossil fuel extractors and importers. (6) Standardise labour force qualifications, to facilitate workers' migration between employers and sectors. (7) Actively coordinate and foster participatory processes between various levels of government (local, devolved, national) and diverse oil and gas industry stakeholders. (8) Support readiness to deploy low-carbon technologies and supply chain diversification. (9) Implement mechanisms such as Scotland's 'National transition training fund' across the UK to enable re-skilling and up-skilling of a large portion of the offshore workforce. (10) Develop quantitative, binding targets for the phase-out of oil and gas. (11) Elaborate on Just Transitions and their stated aims and audiences to enable ongoing, open debate. [Read the full report here](#)

K. Why wait until 2050? Exploring possible scenarios for phasing out oil and gas production faster than planned in the Danish North Sea ^{xxvi}

The Danish North Sea Agreement provides the direction for the sector and the country's carbon neutrality target, setting 2050 as a final end date for all oil and gas-related activities in the Danish part of the North Sea. Analysis of different phase-out scenarios of oil and gas production in Denmark suggests that if oil and gas production continues beyond 2042, the related state revenues are likely to be insignificant compared to the overall state budget. Therefore, 2042 would be a reasonable alternative deadline for phasing out oil and gas activities. Going further, a 2034 phase-out scenario would align with the proposed target of 1.5°C global warming limit set in the Paris Agreement. The analysis shows that the losses in state revenues in such a scenario would be more significant. This could make Just Transitions difficult without accompanying countermeasures, especially when it comes to the qualifications of the existing workforce within the oil and gas sector.

To turn 2034 into a realistic possibility, measures such as reskilling staff and intensifying investments in offshore wind power, energy islands, power-to-x, and carbon capture and storage (CCS) could counteract negative effects. However, these measures come with considerable risks and uncertainties, which would suggest taking a more strategic approach to the development of energy-related activities in the Danish North

Sea. Setting up an independent committee to develop a concrete and realistic roadmap for the oil and gas phase-out, including an overview of the content and timing of political, economic and legal decisions could also help improve the transparency of the process, making it more inclusive and just. At the beginning of the phase-out process, the simultaneous redevelopment of existing offshore infrastructures with renewable energy sources offers transition avenues that could compensate for some of the declining revenues from oil and gas. Technologies such as carbon capture and storage, energy islands, fossil fuel-free electrification of offshore platforms and offshore wind parks could bring higher investments than those secured in the past in oil and gas. These investments must, however, be carefully selected and planned to reduce risks and avoid unnecessary technological lock-ins. Moreover, while it will be necessary to exploit the synergies between the different technologies, these are at different stages of development. As such, the research suggests considering the preparation of a coherent offshore strategy for Denmark that would integrate the phase-out of oil and gas production with alternative uses of the North Sea resources and infrastructures. The strategy should, amongst other things, outline how the synergies could be exploited in a socially and economically sensible and just way, as well as consider the protection of biodiversity, fisheries and security interests. The offshore strategy should also be coordinated with neighbouring North Sea countries and fit into the different national climate and onshore energy strategies. [Read the full report here](#)

Endnotes

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