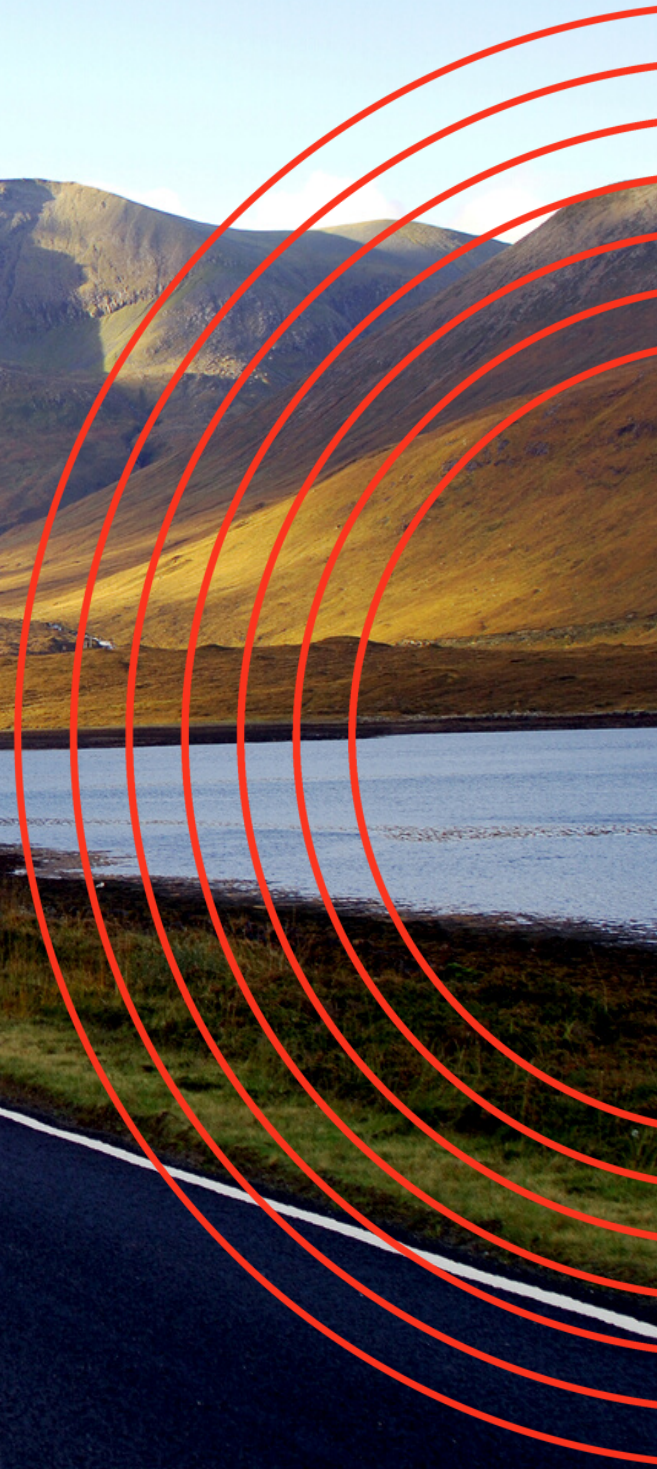




Just Transition Taskforce

Internal Analysis



About

The Just Transition Taskforce initiative is a partnership between the Scottish Government and Climate Group, as Secretariat of the Under2 Coalition.

The initiative is building on the success of the Net Zero Futures project and accelerating progress towards an equitable, low carbon economy.

It's providing a platform to guide government action on just transition issues and has established a Just Transition Taskforce made up of global states and regions.

Together, they're identifying opportunities for greater collective and individual action.

Purpose of this document

- To share our background research – what we reviewed and what we learnt
- To share the outputs of our scoping activities with states and regions
- To introduce members of our Just Transition Taskforce and outline their key priorities
- To share the next steps for the Just Transition Taskforce



Background research

Between February and May 2022, we conducted desk-based research to review current just transition frameworks, definitions, policies and case studies.

With these insights, we compiled a research brief which summarised the current state of just transition efforts at the state and regional level.



What we found

With origins in the late 20th century labour movement, the concept of a just transition has traditionally focused on the needs of those affected by a shift away from fossil fuels.

Contemporary definitions consider those that may be harmed by the shift to low-carbon economies, as well as those impacted by the fossil fuel economy.

This includes low-income households that lack the resources to adapt to changing energy landscapes; BIPOC (Black, indigenous, and people of colour) communities that are more likely to be exposed to environmental health hazards; and populations in the Global South who have faced underdevelopment and heavy extraction of their natural resources.

At the international level, the Paris Agreement commits parties to increase actions to reduce greenhouse gas emissions while considering "the imperatives of a just transition of the workforce and the creation of decent work and quality jobs" (UNFCCC Secretariat 2020).



Principles from the International Labour Organisation

In 2015, the International Labour Organisation – a specialised UN agency that covers labour and labour relations – developed a set of principles. Designed for governments to use, these principles aim to guide the transition to environmentally sustainable economies and societies:

1

Strong social consensus on the goal and pathways to sustainability is fundamental. Social dialogue has to be an integral part of the institutional framework for policymaking and implementation at all levels. Adequate, informed and ongoing consultation should take place with all relevant stakeholders.

2

Policies must respect, promote and realise fundamental principles and rights at work.

3

Policies and programmes need to consider the strong gender dimension of many environmental challenges and opportunities. Specific gender policies should be considered to promote equitable outcomes.

4

Coherent policies across the economic, environmental, social, education / training and labour portfolios need to provide an enabling environment for enterprises, workers, investors and consumers to embrace and drive the transition towards environmentally sustainable and inclusive economies and societies.

5

These coherent policies also need to provide a just transition framework for all to promote the creation of more decent jobs, including as appropriate: anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development and social dialogue, including the effective exercise of the right to organise and bargain collectively.

6

There is no “one size fits all”. Policies and programmes need to be designed in line with the specific conditions of countries, including their stage of development, economic sectors and types and sizes of enterprises.

7

In implementing sustainable development strategies, it's important to foster international cooperation among countries. In this context, we recall the outcome document of the United Nations Conference on Sustainable Development (Rio +20), including section VI on means of implementation.



The South-South Collaboration Network (SSC) is led by two organisations: Transforma, based in Colombia and Power Shift Africa, based in Kenya.

Members of the network have shared their reflections from COP27 – specifically on how regions in the Latin American and Caribbean region can deliver a just energy transition.

Their message is as follows:

- A just transition must be reflective. It must consider the impact of past events in extractive industries to ensure that history is not repeated during an energy transition.
- A just transition needs to focus on decentralising and democratising the energy sector and local approaches to energy policy.
- A just transition relies on reducing dependence on fossil fuels.

- To guarantee a just transition there needs to be focus put on social factors, including gender, worker rights, social protection and multi stakeholder dialogue.

In Latin America, agriculture, transport and critical minerals are three sectors that should be a key focus. However, just like international organisations, definitions of a just transition vary by region.

For subnational governments, their just transition initiatives and programmes are in different stages – likely due to their development progress, varying political ideologies and differing levels of resource.

Regional examples



Global North

Europe

As part of the European Green Deal, the EU launched a Just Transition Mechanism (JTM) to provide support to EU regions that are the most carbon-intensive or with the most people working in fossil fuels.

Member-states can get access by preparing territorial just transition plans that cover the period up to 2030 and identify territories that should get the most support. The plans should also set out ways to best address social, economic and environmental challenges.

The JTM supports a just transition through three main pillars:

1) A Just Transition Fund of €19.2 billion to mobilise around €25.4 billion in investments. Territorial just transition plans (1) define the territories in which the Fund will be used (2) set out the challenges in each territory, and (3) the development needs and objectives to be met by 2030. The identification of these territories is carried out through a dialogue with the Commission and the approval of these territorial just transition plans opens the doors to dedicated financing under the other two pillars of the JTM.

2) InvestEU "Just Transition" scheme to provide a budgetary guarantee across four policy windows and an InvestEU Advisory Hub to act as a central entry point for advisory support requests. It is expected to mobilise €10-15 billion in mostly private sector investments.

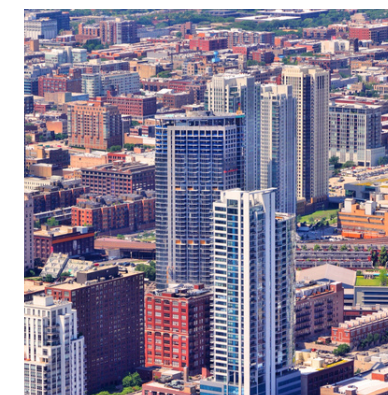
3) A new Public Sector Loan Facility to combine €1.5 billion of grants financed from the EU budget with €10 billion of loans from the European Investment Bank, to mobilise €18.5 billion of public investment.

In addition, the EU set up a The Just Transition Platform to act as a single access point and helpdesk to provide comprehensive technical and advisory support. Authorities and beneficiaries can access it to find information about the funds, including opportunities, relevant regulatory updates or sector specific initiatives. The Platform also promotes the exchange of best practices among all stakeholders involved, including through regular physical and virtual gatherings.

North America

The US federal government has introduced an initiative called Justice 40. It requires that 40% of federal investment must go to disadvantaged communities to assist across seven areas:

- Renewables
- Clean transport
- Sustainable housing
- Work force development
- Pollution
- Remediation
- Clean water and waste water infrastructure



Africa

The South Africa Just Energy Transition Investment Plan (JETP) was announced at COP26. It's a partnership between South Africa, France, Germany, the United Kingdom, the United States and the EU to support South Africa's decarbonisation efforts. It recognises that the country's electricity sector must support just transition interventions, including equitable and inclusive transitions for workers and vulnerable communities.

In February 2022, the President of South Africa established the Presidential Climate Finance Task Team (PCFTT). It coordinates the mobilisation of funds, including the \$8.5 billion pledged at COP26 (South African Presidential Office, 2022). Working alongside the PCFTT is the Presidential Climate Commission (PCC). This multi-stakeholder body advises on the country's climate change response and pathways to a low-carbon, climate-resilient economy and society.

The PCC produced a Just Transition Framework, a strategic plan for achieving a just and equitable transition to net zero carbon emissions in South Africa by 2050. It will also guide the approach to getting the JETP implemented (PCC, 2022).

The JETP established three working groups addressing the power sector, green hydrogen, and the transport sector. These will be the vehicle through which key technical expertise and experience can be mobilised to inform the development of the JETP investment package (JETP-IP).



Asia-Pacific

The Asia Pacific region is highly vulnerable to climate change impacts. However, the International Labour Organisation (ILO) has identified that an additional 14.2 million (net) green jobs could be generated by 2030.

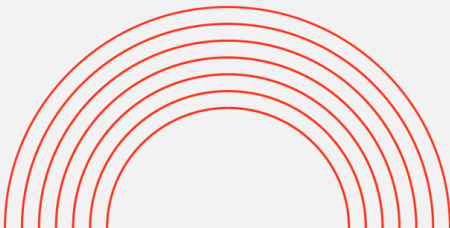
These states can accelerate their transformation through job creation related to clean energy and climate change mitigation activities – if their local populations, especially younger people, are given the right skills and training.

India's energy transition will need policies that consider potential trade-offs between affordability, security and sustainability. The country is set to become a global hub for green hydrogen production with exports for green hydrogen playing a major role in achieving net zero.

Latin America

In Latin America, nearly two million people already work in renewables. Liquid biofuels are the main employer, accounting for nearly one million jobs – mostly in Argentina, Brazil and Colombia. The next largest renewable energy employer is the hydropower sector, with more than half a million jobs, and wind energy with 64,000 jobs (IRENA, 2016).

In this region, it's imperative to get more women in the energy sector, to ensure equal participation. In addition, the transition to electric transport is a key element in the decarbonisation plans of multiple countries. It raises the possibility of designing public policies for inclusive mobility, with high-quality, sustainable public transport.



How we're defining a just transition

For this project, we've recognised that a just transition is both a concept on its own, but also encompasses broader ideas around justice and equity in climate action.

It can be broken down into three dimensions when looking at its ties to climate justice:

- Climate inactions, which can disproportionately expose underprivileged communities to climate change impacts
- Uneven distribution of costs imposed by climate mitigation and adaptation
- Uneven distribution of benefits from climate policies

A just transition must consider these dimensions both structurally and procedurally to close the gap between those who benefit and those who are burdened by the transition to a post carbon society.



Scoping activities

We interviewed 20 state and regional governments to look at the progress they're making towards a just transition, including a review of their key priorities and challenges.

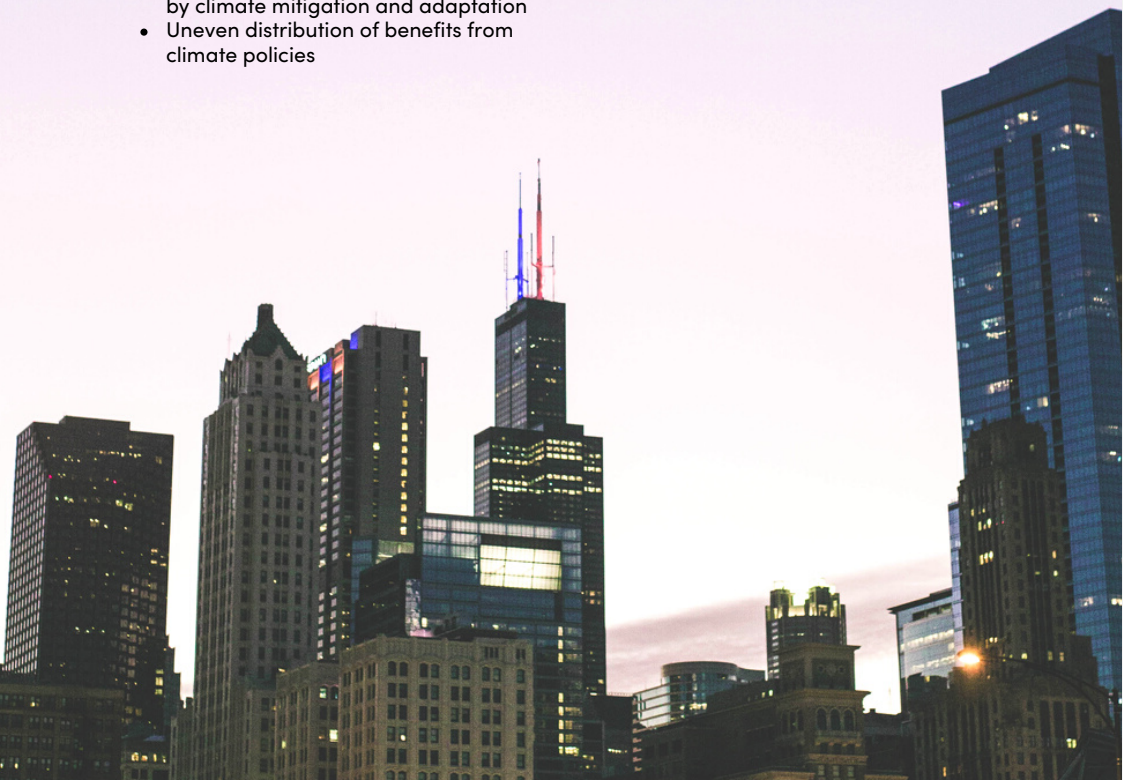
These governments included:

- California (United States)
- Cross River State (Nigeria)
- Emilia Romagna (Italy)
- Gauteng (South Africa)
- Guanajuato (Mexico)
- Isle of Man (UK)
- Maharashtra, India
- Mato Grosso (Brazil)
- Ministry of Labor (Colombia)
- Navarra (Spain)
- New York (United States)
- North Bank Region (The Gambia)
- Northern Ireland (UK)
- Pernambuco (Brazil)
- Québec (Canada)
- Scotland (United Kingdom)
- Wales (United Kingdom)
- Washington (United States)
- Western Cape (South Africa)
- Yucatán (Mexico)

Our interviews centered on the following questions:

- How do you define just transition? Is there an agreed upon definition or framework?
- In your experience, what are the greatest barriers to achieving a just transition in your state / region?
- Does your state / region have a dedicated accountability structure or metrics to measure progress regarding justice or equity?
- What barriers have emerged to integrating just transition principles into your state / region's decarbonisation plans?
- What support would your state / region benefit from?

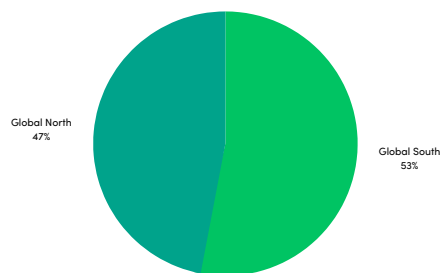
The responses were then collated into a common qualitative dataset to identify common themes. The team captured data from all global regions, with most interviewees being from the Global South.



Accountability metrics

We found that a large range of programmes and sectors are included by the term just transition. But few states have a formal definition. Some use alternate terms such as environmental justice, whereas others don't have an equivalent word in their local language.

Global North / South representation: interviews



In Africa and Latin America, agriculture was a key focus for transition approaches, with attention on climate vulnerabilities and adaptation.

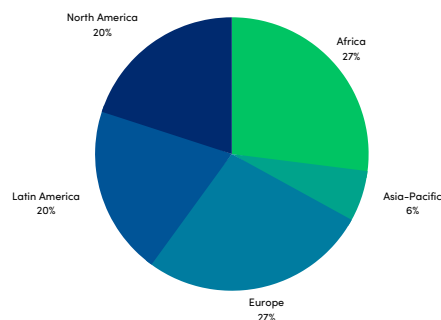
In Europe, just transition is mainly focused on jobs and energy security.

Whilst in Asia, just transition approaches are not explicit. They often take the form of sectoral solutions, such as tackling resilience and infrastructure, transport and pollution.

In North America, environmental justice is often the lens used when approaching questions of justice and equity, with a focus on green jobs and health.

For both Asia and North America, states and regions would benefit from support engaging with diverse stakeholders and developing metrics for progress.

Regional distribution: interviews



Across the board, we've seen that just transition-specific, and broader accountability metrics, are in the early stages of development. Existing accountability metrics tend to fall within broader climate work overall as can be seen in New York's Climate Justice Working Group and Isle of Mann's required public reporting from their Climate Act. States have advocated for specific standards and more metrics overall to track accountability.

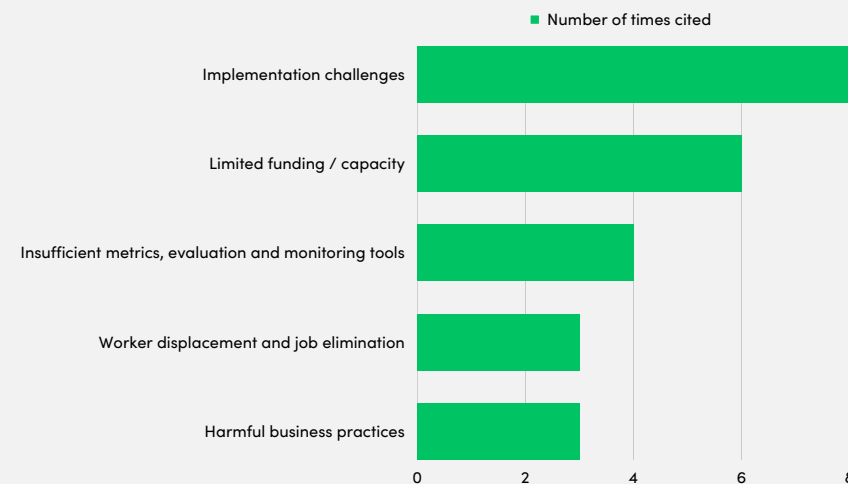
Challenges

The barriers to just transition work vary based on specific local contexts, however the three most common themes we identified are:

- Challenges with implementing existing frameworks
- Lack of evaluation and monitoring tools
- Limited funding capacity

All three states we interviewed in North America said they face challenges implementing their existing programmes. In Mato Grosso do Sul, diverging environmental perspectives between national and local governments have led to a lack of funding for just transition work. In fact, action on climate is largely being driven at the local level.

Common barriers to just transition progress



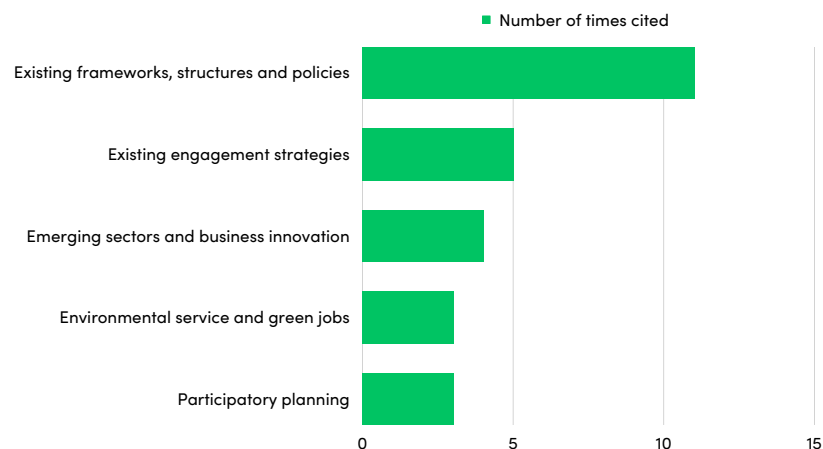
Overall, governments identified two top opportunities for their just transition work:

- Expanding existing frameworks, structures and policies
- Expanding on existing engagement strategies

In Wales, the Wellbeing for Future Generations Act was launched in 2015 and contains eight goals directly linked to the UN's existing Sustainable Development Goals (SDGs).

In Washington, the Healthy Environment for all Act (HEAL) is the primary driver for just transition related work in the health and environment sectors.

Opportunities in just transition work



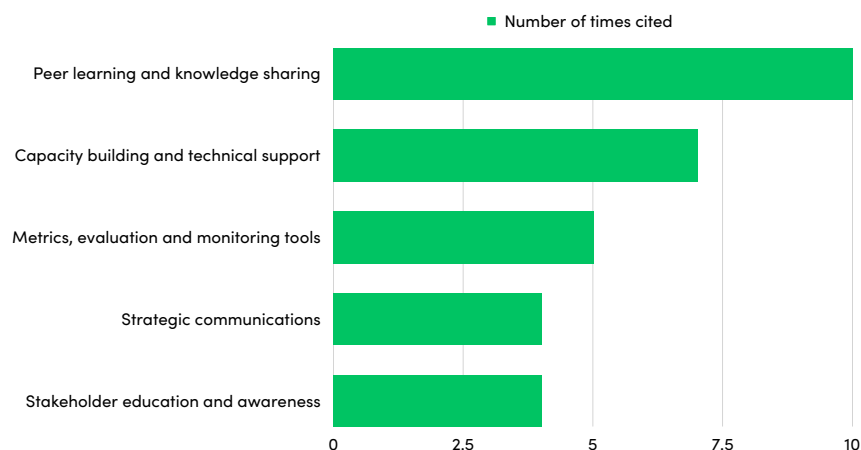
Governments identified four key areas where additional just transition support would be beneficial:

- Peer learning opportunities
- Capacity building support
- Metrics to measure the effectiveness of just transition initiatives

- Monitoring and evaluation tools to keep stakeholders accountable

Many governments are in the early stages of their just transition work, meaning these four areas are particularly valuable in charting the initial course of work and remaining accountable to planned goals.

Areas within just transition that require support



Our members and their priorities

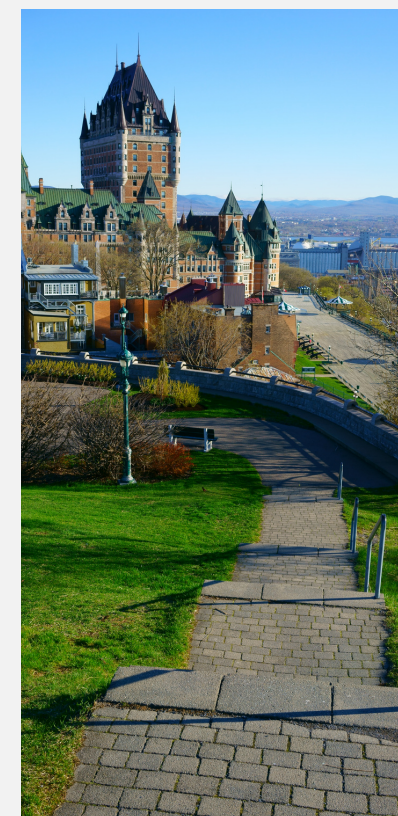
Currently, 11 states and regions are members of the Just Transition Taskforce:

- California
- Gauteng
- Isle of Man
- Maharashtra
- Mato Grosso
- North Bank Region
- Québec
- Scotland
- Wales
- Washington
- Western Cape

A key outcome of the Just Transition Taskforce is for members to agree upon and develop a set of criteria and / or principles to define a just transition. To do this, they have created a timeline of work and set performance indicators.

Following formal convenings and one-on-one engagement throughout spring and summer 2022, taskforce members have listed the following activities as key desired outcomes from the Just Transition Taskforce:

- Actively facilitating peer-to-peer learning, developing context-aware and context-informed programming.
- Creating strategies for communicating and framing just transition work.
- Meaningful activities and programming such as stakeholder engagement.
- A central resource repository including case studies and other resources from the Under2 Coalition.
- One-on-one conversations / buddy system.





Our next steps

We'll continue to provide practical support to states and regions – via further taskforce meetings – to support governments with developing their policy approaches to reach equitable net zero targets.

In part, we'll aid this by pulling together a set of criteria and / or principles on how a just transition should be interpreted and implemented at the subnational level. And then push for consistency across our Under2 Coalition network of states and regions, ensuring that there's a mutual understanding and approach towards delivering a just transition.

To promote knowledge-sharing, we'll also share best practice examples of state and regional just transition efforts externally. These examples will showcase the diversity of subnational approaches to deliver a just transition and reinforce why we need to bring clarity and consistency to this topic.

Just transition is an area of growing importance, but it's also a concept that is still relatively new. We anticipate a need for this work to continue past the project's close, so we move from 'understanding a just transition' to 'embedding it' across state and regional climate actions.

We look forward to initiating conversations with the Scottish Government to review future opportunities for this work.

Contact us

Any questions?

Please contact Faryal Gohar, Project Manager: frohail@climategroup.org

