



Wilton Park




Image: Jennifer Woodard Maderazo

Report

Just Transitions Dialogue: Exploring the Need for International Rules Based on Local Realities

Wednesday 5 – Friday 7 October 2022 | WP3012

In partnership with:

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Foreign Affairs FDFA



 FORDFOUNDATION

Laudes ———
— Foundation



Report

**Just Transitions Dialogue: Exploring the Need for International Rules
Based on Local Realities**

Wednesday 5 – Friday 7 October 2022 | WP3012

In association with The Institute for Human Rights and Business (IHRB)

**With support from the Swiss Federal Department of Foreign Affairs,
Ford Foundation, and Laudes Foundation**

1. Executive Summary	2
2. About this Wilton Park Meeting	3
3. The Risks of Incoherent, Incomparable, and Unaccountable Transitions Globally	4
4. States of Play: Three Key Sectoral Contexts and Challenges	5
Finance	5
Energy.....	6
Agriculture	7
5. Four Key Elements for Greater Coherence, Comparability, and Accountability	8
Element 1: Risks and Impacts.....	8
Element 2: Opportunities and Benefits.....	9
Element 3: Agency and Accountability	10
Element 4: Transformational Systems Change.....	11
6. Recommendations and Next Steps	12
7. Appendix: Background on Just Transitions – History and Key Terms	15
History of the Just Transition Agenda	15
Key Term: Sustainable Development.....	17
Key Term: Justice	18
Key Term: Equity.....	19

1. Executive Summary

The concept of “just transition” – a whole-of-society approach to decarbonisation that respects human rights while promoting sustainable development, the eradication of poverty, and the creation of decent work and quality jobs – has come increasingly centre stage in national and international discussions on finance, energy, agriculture, and other key industrial transitions to net-zero. While there is no universal definition of the term, the 2015 *Paris Agreement*, the 2015 ILO Just Transition Guidelines, and the 2018 Silesia Declaration provide high-level reference points for public and private policy makers now working to implement just transitions in practice (see the Appendix for more on the concept’s history and some key associated terms).

In recent years, the just transition agenda has grown from being a hard-won policy achievement by the union movement in global climate negotiations to an increasingly mainstream climate action priority embraced by governments and companies across sectors. International support since 2021 for several new national “Just Energy Transition Partnerships” (JETPs) are potentially promising examples of investment momentum into decarbonising some of the biggest coal-producing countries in the world. And since COP26 in Glasgow there has been a huge uptick in public just transition commitments by financial institutions, businesses, and industry associations. But this growth in recognition is also coloured by wide ranging and sometimes conflicting definitions and interpretations of what “just” really means and how to go about achieving it in diverse transition processes and outcomes.

Broad uptake of the just transition concept is not only welcome but essential to managing the social disruption that is inevitable in such wide-scale systems changes. But there is also a growing and serious risk that just transition language is increasingly misused and misapplied, intentionally and unintentionally, without sufficient clarity or accountability. With social disruption now one of the greatest inhibitors to climate action, just transition-related messaging could be improperly used to delay and slow progress on fossil fuel phase out and other mitigation measures. Equally, there is a danger that the transformative potential of this concept could be lost entirely; that the “justice element” becomes little more than a box-ticking exercise, with different definitions depending on location, sector, and actor, or none at all. If “JT” and “JETPs” are to avoid going the way of “CSR” and “ESG”, then it is urgent that some form of quality control over the “J” element emerges soon.

The IHRB-Wilton Park Just Transitions Dialogue explored this challenging state of play, and sought to identify practical steps, tools, and approaches required for ensuring swift climate action that is truly “just”. Four key elements were identified as essential to achieving greater coherence, comparability, and accountability over these social dimensions of climate action:

- **Risks and Impacts:** The actions of public and private actors engaged in transition processes will inevitably pose risks to potentially affected groups, including workers, communities, indigenous peoples, and consumers. These adverse impacts should be actively prevented and mitigated through ongoing human rights due diligence.
- **Opportunities and Benefits:** The fulfillment of human rights and requirements for a dignified life are foundational to workers, communities, indigenous peoples, and consumers impacted by transition processes. These and other affected stakeholders should be able to *negotiate* and *access* the opportunities and benefits, as well as trade-offs, that the pathway to the green economy entails.
- **Agency and Accountability:** Inclusivity and meaningful engagement should be part of all transition plans, processes, and outcomes in order to achieve bottom-up support for necessary disruptions to come. Both risk prevention and opportunity maximisation are dependent on building accountability to, and ensuring the agency of, potentially affected groups in transition planning and decision making.
- **Transformational Systems Change:** A just transition cannot simply replace an extractive carbon economy with a system of green extraction where fundamental power relations remain unchanged. A sustainable and just future requires more

fundamental reshaping of economies to produce regenerative systems that address unequal power dynamics head on.

The four elements outlined above will be further developed by the Institute for Human Rights and Business (IHRB) and partners to support all economic actors in understanding the core elements of what makes a net-zero transition “just”. These four elements will also serve as a foundational tool for supporting and implementing the various recommendations outlined at the end of this report aimed at driving greater integrity over just transition processes and outcomes globally.

2. About this Wilton Park Meeting

The IHRB-Wilton Park Just Transitions Dialogue brought together 55 senior experts, policy makers, and practitioners drawn from key transition countries, international organisations, businesses across major emissions sectors, finance, philanthropy, trade unions, and civil society.

The meeting aimed to foster constructive exchange with a view to:

- enhancing understanding of how the international human rights framework can contribute to just transitions;
- identifying gaps in existing normative frameworks governing the social dimensions of climate action and recommendations for filling them;
- discussing incentives and disincentives for governmental and corporate behaviour, in particular across the supply, demand, and finance drivers of industrial transitions;
- strengthening links among key institutions and actors, particularly across a spectrum of policymakers, civil society, and frontline practitioners, and;
- generating the emergence of expert networks to take forward actions and proposals in specific areas.

The Dialogue’s Agenda¹ was structured to start with the widest possible lens on the global context of climate action today, followed by increasingly focused discussions on the current state of practice across key stakeholder and sectoral contexts. This included:

- The current state of geopolitics and the multilateral system’s ability to deliver deep and fast decarbonisation on a global scale, whilst remaining people-centred and leaving no one behind.
- The risks and benefits of transitions for potentially affected groups, focusing in particular on workers and indigenous peoples to illustrate the current state of how transition risks and opportunities are being seen and felt by these key stakeholders.
- The intermediary role that the finance sector plays, one step removed from the local battlegrounds where transitions play out, but critical to changing the rules of the system so that capital is actively supporting workers, communities, indigenous peoples, and consumers affected by mitigation measures.
- Decarbonisation imperatives in two critical sectors that are essential to any hope of maintaining the world’s collective 1.5°C future: energy and agriculture.
- The distinct but interrelated agendas of adaptation and resilience in the context of decarbonisation measures.
- The next two years and views on the essential priorities for COP27 in Egypt in 2022 and COP28 in the United Arab Emirates in 2023.

This report does not attempt to summarise each session but rather draws out key themes and

¹ See further, IHRB and Wilton Park “Just Transitions: Exploring the Need for International Rules Based on Local Realities” (4 Oct 2022) at: <https://www.ihrb.org/focus-areas/just-transitions/just-transitions-exploring-the-need-for-international-rules-based-on-local-realities>

recommendations that emerged throughout the three days of discussion. The report was written after COP27 in Egypt, which this Dialogue was timed to closely precede and build toward, and therefore also accounts for some COP27 outcomes and initiatives launched by the various attendees of the Dialogue.

3. The Risks of Incoherent, Incomparable, and Unaccountable Transitions Globally

The Appendix to this Report provides a brief overview of the history of the just transition concept and key associated terms. As its origins show, just transition is neither exclusively an intergovernmental concept nor exclusively a climate action concept. It is underpinned by various principles of sustainable development, justice, and equity, which quickly illustrate the complexity of decarbonisation delivering on development imperatives and the need for every national and sectoral transition to be as locally rooted and place-based as possible. In part because of this, the term “just transition” has come to be used and defined in a variety of ways by governments and the private sector as it has risen in popularity. This presents a growing and serious risk that, intentionally or not, the term is increasingly misused and misapplied without sufficient clarity or accountability.

For example, there are various corporate and governmental just transition initiatives that do not even refer to workers in their commitments, let alone consider the other potentially affected groups – communities, indigenous peoples, consumers – that stand to lose or gain from the way transition decisions are made. In other examples, governments are commonly using the concept when referring to the technical and financial aspects of how to transition to a low-carbon economy, with little or no focus on the socio-economic risks or opportunities associated with the transition. Similarly, the term is sometimes used in reference to equity issues between different countries, rather than within the country – for example in pushing for “just” and “equitable” levels of commercial investment in one country compared to a neighbouring country.

Beyond the risk of watering down workplace commitments, there is the challenge of catalysing concrete progress in implementation, which is patchy at best across states. For example, in the most recent Global Stocktake synthesis report of March 2022 on the effects and progress of Nationally Determined Contributions (NDC), only 29% of parties indicated they planned to address the unequal impacts on the different groups in society or the workforce as a consequence of their decarbonisation efforts (known formally under the UNFCCC as “response measures”).² Only 3% of Parties so far had paid particular attention to addressing the impacts of response measures on vulnerable groups and communities in relation to poverty, job opportunities, and inequality during the transition.³

There is also a significant risk of the just transition agenda being co-opted to slow and delay climate action entirely. For example, in 2017, a newly elected US President Trump pointed to the employment implications of climate action as one of the reasons for pulling out of the Paris Agreement, citing the fate of US coal workers.⁴ Socio-economic factors such as population increases, poverty, urbanisation, intensification of agriculture, mono-industrialisation, and market failures are compromising many countries’ development initiatives. The COVID 19 pandemic further exacerbated these challenges, as has the invasion of Ukraine and resultant global energy and security shocks. These factors have led some governments to contest the fundamental relevance of a low carbon transition at all, feeling they first need to tackle socio-economic challenges – including using socioeconomic arguments to push support for expanding high carbon emitting industries like new coal plants.

² UNFCCC “Synthesis report for the technical assessment component of the first global stocktake” Para 92 (Mar 2022) at: https://unfccc.int/sites/default/files/resource/GST_SR_23c_30Mar.pdf

³ Ibid

⁴ Eliza Relman “The reasoning behind Trump pulling out of the Paris climate agreement” *Insider* (1 June 2017) at: <https://www.businessinsider.com/paris-climate-agreement-trump-why-us?r=US&IR=T>

This reflects the reality that the future of just transition is a political choice. Scientific reality means climate action cannot wait. If the goal is to secure a decent future for workers, communities, and economies more broadly then there is no room for discussion that creates a false dichotomy between choosing *either* a just transition *or* necessary climate ambition. Moreover, if the just transition concept is used to delay change, it will fail to bridge concerns between local workers, affected communities, indigenous peoples, and consumers worldwide. However, if it is used to shape the change for all affected groups and offer pathways to decarbonisation across the economy to keep 1.5°C in reach, it will significantly increase the odds that the global community will deliver on the *Paris Agreement*.

4. States of Play: Three Key Sectoral Contexts and Challenges

Finance

The finance sector is an intermediary and at least one step removed from the local battlegrounds where just transitions play out, but it is still crucial to changing the rules of the game so that capital is actively supporting just transitions locally and globally.

At COP26 in 2021, hundreds of investors, banks, pension funds, and other financial institutions committed to net-zero and formed industry initiatives such as the Glasgow Financial Alliance for Net Zero (GFANZ) to harness the collective impact of over \$130 trillion in assets toward aggressive decarbonisation goals. While laudable and ground-breaking, by the time of the Wilton Park Dialogue nearly one-year later, most of the GFANZ firms still did not have definitive plans for how to achieve such objectives. In fact, the run up to COP27 in Egypt saw significant pressure on the GFANZ membership model,⁵ with scepticism over GFANZ's ability to incentivise financial institutions to diversify away from fossil fuel investment.

In response to a wave of net-zero claims with little substance, a High-Level Expert Group (HLEG) convened by the UN Secretary General launched at COP27 a high-calibre and widely welcomed set of detailed recommendations for what constitutes a “meaningful” net-zero commitment by non-state actors.⁶ Further net-zero transparency and disclosure frameworks from the likes of International Sustainability Standards Board (ISSB), Task Force on Climate-Related Financial Disclosures (TCFD), the US Securities and Exchange Commission (SEC), European Union, and others are under development, but the variety of rules presents its own challenge, with many financial institutions calling for greater alignment, consistency, and global coherence.

Convergence of multiple standards will be an important condition moving forward. Various just transition frameworks and guides for the finance sector have been created to consolidate a “first generation” of work that is underway by various actors across the diverse ecosystem of financial actors, and the run up to COP27 in Egypt served as a key moment to unveil financial sector guidance and initiatives.⁷

Beyond convergence of standards, future progress will require rooting global standards, principles, and frameworks in national political economies. The focus should be squarely on meaningful implementation on the ground in local contexts, where national investment packages are the first and perhaps most important moment for establishing the conditions for building the foundations of a pathway to a country's future green economy. Early signs of this

⁵ Tim McDonnell “Banks can't stomach genuine climate targets” *Quartz* (Nov 2022) <https://qz.com/banks-cant-stomach-genuine-climate-targets-1849742050>

⁶ United Nations' High-Level Expert Group On The Net Zero Emissions Commitments Of Non-State Entities “Integrity Matters: Net Zero Commitments By Businesses, Financial Institutions, Cities And Regions” (Nov 2022) <https://www.un.org/en/climatechange/high-level-expert-group>

⁷ See for example: LSE Grantham Research Institute “Making transition plans just: How to embed the just transition into financial sector net zero plans” (Nov 2022) <https://www.lse.ac.uk/granthaminstitute/publication/making-transition-plans-just-how-to-embed-the-just-transition-into-financial-sector-net-zero-plans/>; ILO and LSE Grantham Research Institute “Just Transition Finance Tool for banking and investing activities” (Nov 2022) https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_860182.pdf; Aviva Investors “Act Now: A climate emergency roadmap for the international financial architecture” (Nov 2022) <https://www.avivainvestors.com/en-us/views/aig-investment-thinking/2022/11/climate-emergency/>; UN Global Compact Think Lab “Financing a Just Transition: A Business Brief” (Nov 2022) <https://unglobalcompact.org/library/6102>

from the first and original “Just Energy Transition Partnership” (JETP) country, South Africa, show just how challenging it is to design responsible, equitable, and transparent national net-zero investment packages in practice.⁸ Whether other major coal economies courting similar JETP investment catalysts – including Indonesia, Vietnam, India, Senegal, and others – learn from and evolve this model will be a key area of focus moving forward.

Energy

Like most industrial activities, the move to decarbonise away from fossil fuels and into renewable energy systems raises a range of risks to workers, communities, indigenous peoples, and consumers that require active prevention and mitigation, as well as remediation for the impacts that do occur. For example, in the “transition out” of coal and other fossil fuels many workers stand to lose their jobs as part of this process of climate mitigation, and they are not always those who stand to gain from the considerable business opportunities of green and sustainable net zero economies.⁹ The “transition in” to new economic opportunities brings risks of land grab, threatened livelihoods, loss of sacred land or agriculturally productive land, ecosystem and habitat destruction as part of the “green rush” to renewables, as has been observed in diverse contexts from Colombia to Kenya and Canada.¹⁰ And mining for transition minerals and sourcing other raw materials needed for renewables technology – such as copper and cobalt from the Democratic Republic of Congo and balsa wood from Ecuador – are seeing widespread and growing impacts such as harsh working conditions, poverty wages, and contamination of water supplies as demand mounts.

Greater emphasis globally, regionally, and nationally should be placed on the role and responsibilities of businesses within the energy transition and the expectation that they meaningfully implement responsible business and development standards. Mining companies are focusing on meeting the exponentially growing demand for transition minerals to feed green technologies.¹¹ Public and private enterprises in wind, solar, and other renewables industries are much newer to navigating their social and human rights risks and opportunities.¹² Furthermore, traditional fossil fuel energy companies are integrating their energy mixes to respond to the green rush themselves. The businesses making up these industries are a key delivery mechanism of mitigation and adaptation measures. In the process, they present significant risks, or opportunities, for local workers, communities, indigenous peoples, and consumers, depending on how they plan and execute their transition operations, products, and services.

⁸ See for example: Intellidex and African Climate Foundation “Financing South Africa’s Just Energy Transition” (Nov 2022) https://africanclimatefoundation.org/news_and_analysis/financing-south-africas-just-energy-transition/; Haley St. Dennis “One Year On – 5 Takeaways from South Africa’s Just Energy Transition Partnership (JETP)” IHRB (Oct 2022) <https://www.ihrb.org/focus-areas/just-transitions/one-year-on-5-takeaways-from-south-africas-just-energy-transition-partnership>

⁹ See for example, HOMEF “The Trail and True Costs of Oil Refining in Nigeria” (Sep 2022) <https://homef.org/wp-content/uploads/2022/09/The-Trail-and-True-Costs-of-Oil-Refining-in-Nigeria.pdf>

¹⁰ See for example, Cultural Survival “Just Transition = Indigenous Self-Determination: Cultural Survival’s COP 27 Statement” <https://www.culturalsurvival.org/news/just-transition-indigenous-self-determination-cultural-survivals-cop-27-statement>

¹¹ See for example: JR Owen, D Kemp, AM Lechner et al. “Energy transition minerals and their intersection with land-connected peoples” *Nat Sustain* (2022) <https://doi.org/10.1038/s41893-022-00994-6>; K Svobodova, JR Owen, D Kemp et al “Decarbonization, population disruption and resource inventories in the global energy transition” *Nat Comm* 13, 7674 (Nov 2022) <https://www.nature.com/articles/s41467-022-35391-2>

¹² BHRRC “Renewable Energy & Human Rights Benchmark 2021” (2021) <https://www.business-humanrights.org/en/from-us/briefings/renewable-energy-human-rights-benchmark-2/>

On the governmental side, the energy sector has so far been the primary focus of multilateral efforts to develop just transitions strategies in specific countries (though this focus is beginning to broaden to other sectors, eg see Agriculture below). As noted in the Finance section above, high-level Just Energy Transition Partnerships between western donor governments and major coal-dependent countries are beginning to take shape as models of choice for national approaches to phasing down and “transitioning-out” of carbon intensive industries. But national interpretations of the “J” in JETP so far vary widely, often with much more focus on the continued utilisation of oil and gas reserves or desires for investment, rather than UNFCCC enshrined definitions of rights-based and people-centred climate action (see Appendix).¹³ If they uphold their claims to truly “just” transitions, JETPs offer transformational potential for these countries as well as numerous lessons for the development of shared principles to execute just transition strategies in practice. Efforts to meaningfully embed implementation of social and human rights standards within these partnerships will be a key focus for the future.

In parallel, it is clear that not every country in the world will be able to attract such global financial interest and become a beneficiary of JETP strategies, nor is full global coverage of such a model feasible or even desirable given varying national energy and development needs. Developing complementary models to scale energy transitions in non-JETP countries, particularly in the short-term, will also be a key focus moving forward.

Agriculture

The global food system – agriculture and food production collectively – accounts for some one-third of global emissions and has far-reaching impacts on biodiversity, climate, nutrition, and livelihoods. Despite global food production exceeding global demand, food insecurity has hit crisis levels with nearly 250 million people on the brink of famine and 1.6 billion people food-insecure, and these numbers are only set to grow. Decarbonisation of agriculture will impact farmers, workers, communities and consumers, the same groups already feeling the impacts of climate shocks and highly vulnerable to further changes.

Despite its enormous impacts, the food system has inexplicably been overlooked and under-explored in global climate policy discussions to date. Given the lack of momentum in decarbonising agriculture and food production, questions of just transitions and “agroecological” (socio-environmental) transformations lag even further behind in global, regional, and national policy responses. This began to change at COP27 in Egypt with a first ever dedicated “Agriculture Day” within the Presidency Programme, a Food Systems Pavilion showcasing a range of initiatives, and an overarching COP “cover decision” referencing “food, rivers, nature-based solutions, tipping points and the right to a healthy environment” for the first time.¹⁴

Looking ahead, a key area of focus needs to be on distinguishing what a just transition within the agricultural sector and wider food system could and should look like. To date, the just transition has been treated synonymously with the energy sector, assuming ubiquity and applicability of approaches in other sectors. For one, the “transition out” is less clear cut within agriculture than energy. Although meat is a major contributor of global emissions, the case for a global transition out of animal agriculture is not a politically, socially, or economically accepted reality in the way the transition out of coal is globally. Rather, while reducing meat consumption globally is a major imperative, the transition within animal agriculture will likely be more focused on reducing meat in richer nations that currently over-consume and raising meat consumption in developing countries and those with lowest nutrition levels.¹⁵ Similarly, the “transition in” to greener agricultural alternatives is more subtle than the energy sector, where

¹³ John Morrison and Haley St. Dennis “Just Transitions: Exploring the Need for International Rules Based on Local Realities” *IHRB* (Oct 2022) <https://www.ihrb.org/focus-areas/just-transitions/just-transitions-exploring-the-need-for-international-rules-based-on-local-realities>

¹⁴ UNFCCC “Sharm el-Sheikh Implementation Plan” (20 Nov 2022) https://unfccc.int/sites/default/files/resource/cma2022_L21_revised_adv.pdf See further: CarbonBrief “COP27: Key outcomes for food, forests, land and nature at the UN climate talks in Egypt” (Nov 2022) <https://www.carbonbrief.org/cop27-key-outcomes-for-food-forests-land-and-nature-at-the-un-climate-talks-in-egypt/>

¹⁵ See further, Stockholm Environment Institute “A just transition in the meat sector: why, who, and how?” (Nov 2022) <https://www.sei.org/publications/just-transition-meat-sector/>

the focus is on replacing fossil fuels with renewables. In agriculture, a significant focus is instead on how green technologies can help increase productivity and yields while reducing waste, paired with the need for a systemic focus on embedding regenerative growing practices across all agricultural commodities.¹⁶

The risks and opportunities for those affected also look very different due to the composition of the agricultural sector, with two-thirds of sectoral emissions stemming from sourcing practices across highly distributed supply chains. Designing national and sectoral plans to respond to the risks and opportunities for farmers, their families and communities, the many indigenous peoples that are touched by agricultural practices, as well as consumers, will require a fit for purpose approach. This approach should also consider the unique demand, supply, and finance drivers available to catalyse and guide rights-based and development-oriented decarbonisation and adaptation of the sector. Universally key to progress will be farmers, and approaches to planning and implementation that embrace and embed their voice and agency in the decisions and interventions affecting their livelihoods. However, to date, examples abound of where this has not been done, with resulting protests and social backlash that have delayed further climate action, demonstrating the risks to climate progress of unjust transitions.¹⁷

5. Four Key Elements for Greater Coherence, Comparability, and Accountability

Key themes that had arisen throughout the Dialogue were distilled by discussants into four elements seen as essential to driving greater coherence, comparability, and accountability over the “just” dimension of any national or private sector net-zero transition.

Element 1: Risks and Impacts

Actions to tackle climate change and the transition to a greener economy can have significant adverse implications for some workers, communities, indigenous peoples, and consumers. Many of these are foreseeable and preventable.

Governments and businesses involved in decarbonisation and adaptation activity need to take active steps to assess and address their risks to people when they plan and implement climate actions. An internationally agreed standard already exists that should inform these risk management processes: the United Nations Guiding Principles on Business and Human Rights (UNGPs).¹⁸ The UNGPs provide a practical and operational human rights-based framework for all business enterprises – private and public – in mitigation and adaptation actions.

The UNGPs were unanimously endorsed by the UN Human Rights Council in 2011 and have since been incorporated into other key responsible business standards, including: The OECD Guidelines for Multinational Enterprises,¹⁹ IFC Performance Standards, ISO 26000,²⁰ and many others.

The UNGPs are directly applicable to the climate action context. They are the globally established baseline expectation for all economic actors – public and private – to actively respect human rights, meaning they should avoid infringing on peoples’ human rights and

¹⁶ See further, We Mean Business Coalition “Delivering a just transition in food and agriculture” (video) (Nov 2022) <https://www.ihrb.org/focus-areas/just-transitions/cop27-dialogue-on-delivering-a-just-transition-in-food-and-agriculture>

¹⁷ Ciara Nugent “Farmer Protests in the Netherlands Show Just How Messy the Climate Transition Will Be” *Time* (July 2022) <https://time.com/6201951/dutch-farmers-protests-climate-action/>

¹⁸ United Nations “Guiding Principles on Business and Human Rights” (2011) https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

¹⁹ OECD “Guidelines for Multinational Enterprises” (2011) <http://mneguidelines.oecd.org/guidelines/>

²⁰ ISO “26000 Guidance on social responsibility” (2011) <https://www.iso.org/iso-26000-social-responsibility.html>

address the adverse human rights impacts with which they are involved. They also affirm corresponding duties for how governments themselves must actively protect against adverse human rights impacts involving private actors, including by businesses and other economic actors.

The UNGPs offer a framework for operationalising respect for human rights within an enterprise, based on their relationship to specific risks or impacts. Fundamentally, the corporate responsibility to respect human rights requires all economic actors to i) avoid causing or contributing to adverse human rights impacts through their own activities and address those impacts that occur; and ii) seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products, or services by their business relationships, even if they have not contributed to those impacts.

To operationalise this framework, the UNGPs outline a series of steps that centre on three core tools: i) statements of policy commitment approved from the top and embedded deeply within and across the enterprise; ii) continuous human rights due diligence (assessing actual and potential human rights impacts, integrating and acting upon the findings; tracking responses; and communicating how impacts are addressed); and iii) remediation of adverse human rights impacts that businesses have caused or contributed to.

When it comes to risks and impacts, harm may occur despite well-intended systems and processes in place to prevent them. As above, both states and businesses have established expectations around creating and participating in remedy mechanisms for addressing harm caused to people in the course of their activities, and that clearly extends to the realm of climate action and the industrial systems change to come. This requires states to take appropriate steps to prevent, investigate, punish, and redress human rights abuses within their territory and/or jurisdiction, as well as to take appropriate steps to ensure that those affected have access to effective remedy. Mechanisms to facilitate and provide remedy can take a number of legal and non-legal forms, and the UNGPs envisage three types of mechanisms: state-based judicial mechanisms, state-based non-judicial grievance mechanisms (such as the OECD National Contact Point system), and non-state-based grievance mechanisms (such as at the enterprise level). Within a transition as complex as decarbonisation, there is unlikely to ever be one singular remedy mechanism. Instead, various mechanisms will be required at the local, national, and enterprise levels in a patchwork designed to support the workers, communities, indigenous peoples, and consumers adversely affected by the disruptions of the transition.

Despite their wide-spread endorsement and application over the last decade by governments, intergovernmental organisations, businesses, industry associations, as well as union and civil society organisations around the world, the UNGPs are not yet a mainstream tool within the climate action agenda. Just transition initiatives should incorporate this key normative framework so as to effectively guide the risk prevention imperatives at play in every transition context. No wheels need to be reinvented, and failure to embrace this normative framework only risks delaying climate progress and the practical implementation of otherwise well-intended mitigation, adaptation, and resilience commitments.

Element 2: Opportunities and Benefits

In addition to managing the negative risks and impacts of the coming transitions (see Element 1 above), it is also important to consider how the positive social benefits of transition are distributed to ensure opportunities are maximised and shared by the various workers, communities, indigenous peoples, and consumers affected. This is part of the broader goal of using the net-zero transition window to bring about wider socio-economic reform and tackle pre-existing inequalities.

But these benefits and opportunities will not come automatically. Persistent poverty, high unemployment, energy access gaps, and weak regulation of land-related activities are common features in many countries, and this socio-economic context makes designing and

implementing climate policy even more complex.²¹ Very deliberate planning is required to design transitions that maximise the benefits for these various groups and ensure they are fairly distributed. This should be done through a socially inclusive process driven by those living and working in the regions most affected (see further Element 3 below).

Planning should also reflect the reality that there will often be tradeoffs involved in every transition context. Some stakeholders will benefit at different stages whilst others may not. There will be difficult questions and conversations involved in planning and designing transitions in ways that meaningfully engage with these tradeoffs and demonstrate that every effort has been made to maximise benefits and minimise costs. This includes engaging with the economic as well as non-economic variables at play. For example, when climate transitions relate to the management of land and forest resources, spiritual and cultural considerations may be paramount to stakeholders affected and central to what they see as the risks of the transition plan, regardless of the benefits of any alternative livelihood options being offered. This is not a challenge unique to the climate action realm and has been a long-standing struggle within traditional industrial development for decades. For example, job creation and compensation are often viewed as benefits outweighing the impacts around loss of land and cultural heritage, in effect forcing stakeholders to give up one in order to take up the other. Rather than being a deterrent to engagement, this reinforces the importance of creating space for meaningful engagement with potentially affected stakeholders to embed local views of equity and justice within climate action and development planning (see Element 3 below).

The human rights framework can be a key tool for designing truly just transitions, helping policy makers navigate the risks, opportunities, and tradeoffs in a principles-based, consistent, legitimate, and accountable way. Too often human rights and the core baseline conditions for dignity are positioned as “benefits” and “opportunities” in the transition context. Conversely, when understood as the basic conditions required for people to be able to *negotiate* opportunities and *access* benefits, the human rights framework can help unlock the potential for truly transformational transition planning. As such, in addition to ensuring respect for human rights to minimise the risks and impacts transitions can pose to people (see Element 1 above), governments and companies should also embed the fulfillment of human rights more deliberately into their transition plans and models.

This will require from governments and companies a clear vision for the transition and commitment to ensuring socially responsible implementation and equitable outcomes. With that in place, coordination across departments (whether a government or company) becomes fundamental, to ensure that long-standing and historic silos are broken down between those responsible for environmental, social, and governance issues respectively. However, the current state of public and private climate policy is immature. Integrated socio-economic climate transition planning guided by the human rights framework is not yet, but should become, more universally recognised as a cross-cutting, overarching strategy for climate action.

Element 3: Agency and Accountability

A deliberately inclusive planning and implementation process is central to the concept of just transition. Workers, communities, indigenous peoples, consumers and other groups potentially affected by transition plans and decisions are not passive bystanders, they are agents of change. Those potentially affected are less likely to support a transition process where tradeoffs are imposed upon them and losses are seen to outweigh benefits. Conversely, the likelihood of groups supporting, or not actively resisting, planned climate action is significantly increased where they have clear access to information and a meaningful role in decision-making processes. Therefore, whether potentially affected groups have effective agency and self-determination in net-zero transition decision making will be a fundamental metric of the

²¹ Climate Strategies “South to South Just Transitions” (2022) https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South_FINAL.pdf

legitimacy of claims that transitions are truly “just”. This is key to maximising the social benefits and opportunities of transitions (see Element 2 above) while preventing and minimising risks and adverse impacts (see Element 1 above).

The rights of workers, communities, indigenous peoples, and consumers to have agency and self-determination over transition decisions are fundamentally interlinked with the need for enabling conditions to hold governments, businesses, and other institutions accountable for decisions they are making on their behalf. Transparency does not guarantee accountability but it is an important prerequisite. Workers, communities, indigenous peoples, and consumers should have insight into financial and practical decision making by those in positions of power in order to define opportunities that will truly benefit them while understanding risks and impacts that may come in tandem. The lack of an accessible, common overview of projects and initiatives undermines the ability to engage and play an effective role in transition decision making. Conversely, transparency over the variables being considered enables potentially affected stakeholders to understand the nature of the transition and risks versus opportunities across the range of those affected, enabling them to effectively engage with the response as well as tradeoffs involved.

Related to this is the question of capacity. Awareness of the risks, opportunities, and tradeoffs involved in local or national transition plans will vary. In many cases, awareness remains quite low even among stakeholders who may be significantly affected. Even fewer will have an understanding of the concept of just transition. This does not mean that accountability to these stakeholders is lessened or that they merit less agency in the process. Rather, it highlights the importance of capacity building of potentially affected stakeholders to empower their effective engagement with transition planning. The realisation of human rights is enhanced when stakeholders can participate in decisions that affect their rights and are empowered to do so by possessing a good understanding of both their risks and rights. This will require governments and companies to actively assist and support workers, communities, indigenous peoples, and consumers with the knowledge, insights, and resources to understand what the transition specifically entails and engage them meaningfully and openly in dialogue around points of agreement and disagreement. This is especially true in areas with a history of conflict, systemic racism, gender-based discrimination, politically inspired oppression, or high levels of economic inequality, which are all factors that can heighten vulnerability and marginalisation.

It is important to emphasise the distinction between accountability versus remedy. Accountability goes beyond the provision of remedy for harm that may be caused during the transition through a patchwork of legal and non-legal mechanisms (see Element 1 above). Fundamentally, accountability is a matter of power. It concerns the relationship between those who have power to act and influence others and those who are affected by their actions. Net-zero transitions will require decisions to be made that will create significant disruption, with wide-reaching implications for huge swathes of people. As important as it is to embed the agency of potentially affected groups in the design and implementation of net-zero plans, some ceding of authority to those with power is essential to maintaining swift and efficient climate action to respond to the urgency of the climate crisis. As such, the question of how net-zero transitions can and should be designed to impose effective conditions on those with power, to ensure they are adequately serving and protecting the interests of those impacted, should be a key area of collective focus moving forward.

Element 4: Transformational Systems Change

Ultimately the global just transition is about deep and fundamental restructuring of the systems that have created the dual inequality and climate crises: production, consumption, and growth plans that transgress all planetary boundaries; fossil fuel-based energy systems; unfair international trade relationships; a lack of dignified jobs; overproduction within monopolistic food systems driving hunger and famine and; the inability to create shared prosperity systems. Whether a truly “just” transition can happen is entirely dependent on these socio-economic

dynamics and the impacts they trigger. To date, most just transition plans and roadmaps are not addressing these questions, but instead attempt to position climate action as a win-win for the planet and for the economic actors who now need to change their fundamental business models.

Just transition claims and commitments that limit themselves to reskilling as part of decarbonisation activity will not contribute toward the systemic restructuring of these unfair systems. Unified strategies at the local level across mitigation, adaptation, and resilience programmes are required to see workers, communities, indigenous peoples, and consumers in better positions after the transition than before it. This includes diversification away from mono-industry, repurposing of existing infrastructure, technological and other innovations that targets resource efficiency and circularity, and concerted investment in social protection systems to increase bottom-up resilience, all driven through rights-respecting and responsible practices by the economic actors involved.²²

Reform of the international debt architecture has become a focal area in this regard, with an emerging global coalition driving the Bridgetown Agenda to reform the multilateral financial order.²³ COP27's historic agreement to create a "loss and damage" fund²⁴ represents an important first step in acknowledging that the financial system is failing to provide developing countries with necessary resources to invest in climate resilience alongside mitigation and adaptation. Fundamental reform of the Bretton Woods institutions is a long way from being realised, but that it is now an active dialogue being driven by some of the most climate vulnerable nations is a sign of one crucial set of power dynamics potentially beginning to shift in a positive direction.

The urgency around this existential challenge cannot be over-emphasised. Shortly after this Dialogue's convening, comprehensive intergovernmental assessments of existing national plans to cut carbon emissions affirmed that they leave no credible pathway to limit global warming to 1.5°C, deploring progress since 2021's COP26 summit as "woefully insufficient".²⁵ Just 26 of 193 countries that agreed in 2021 to step up their climate actions have followed through with more ambitious plans, with notable omissions from the world's largest emitters.²⁶ The world is currently on a path to warm by an average of 2.1–2.9 °C by 2100, far from the 1.5 °C imperative built into the *Paris Agreement* and all but ensuring a future of severe climate shocks, disruption, and impacts.²⁷

Any just transition initiative should meaningfully reflect on the transformation imperative, and how it contributes to reshaping the very nature of value, risk, and relationships to power across energy, land, urban, industry, transport, agriculture, and other economic systems, so that transitions are engineered by, and for the benefit of, workers, communities, indigenous peoples, and consumers. This should serve as the basis of democratic planning, policy making, and resource allocation, but also agenda setting and narratives that reflect the redefining of growth and need to break from business-as-usual.

6. Recommendations and Next Steps

The four elements outlined in this report attempt to catalogue the broad themes that would be essential to the quality and effectiveness of any intervention claiming to be a "just" transition:

²² See for example, C. Bhushan and S. Banerjee, "Five R's: A Cross-sectoral landscape of Just Transition in India" *iFOREST* (Nov 2021) <https://iforest.global/wp-content/uploads/2021/07/Five-Rs-Single.pdf>

²³ Barbados Ministry of Foreign Affairs and Foreign Trade "The 2022 Bridgetown Initiative" (Sep 2022) <https://www.foreign.gov.bb/the-2022-barbados-agenda/>

²⁴ UNFCCC "COP27 Reaches Breakthrough Agreement on New 'Loss and Damage' Fund for Vulnerable Countries" (Nov 2022) <https://unfccc.int/news/cop27-reaches-breakthrough-agreement-on-new-loss-and-damage-fund-for-vulnerable-countries>

²⁵ UNEP, "Emissions Gap Report 2022" (Oct 2022) <https://www.unep.org/events/publication-launch/emissions-gap-report-2022>

²⁶ See also: IEA, "World Energy Outlook 2022" (Oct 2022) <https://www.iea.org/reports/world-energy-outlook-2022>

²⁷ UN News "1.5 degree climate pledge 'on life support', Guterres tells leaders during frank exchanges" <https://news.un.org/en/story/2022/09/1127381>

- that the inevitable **risks and impacts** for workers, communities, indigenous peoples, and consumers should be actively identified, prevented, mitigated, and remedied by the economic actors involved through ongoing human rights due diligence and remedy mechanisms (Element 1);
- that workers, communities, and consumers most affected by the coming national and sectoral transitions should be able to clearly see the **benefits and opportunities** for them in order to build bottom-up support for the necessary disruptions ahead (Element 2);
- that the **agency** of potentially affected groups in transition decision making is essential to minimising the risks and maximising the benefits, and requiring the intentional construction of **accountability** mechanisms to them in transition planning, processes, and outcomes (Element 3), and;
- fundamentally, that the just transition is one which fully embraces the **transformational systems change** that mass decarbonisation offers for meaningful sustainable development globally (Element 4).

This IHRB-Wilton Park Just Transitions Dialogue generated a range of ideas for further developing these elements and building upon them to respond to the challenge of ensuring greater coherence, comparability, and accountability across transition processes and outcomes. For example:

- **Supporting standards making:** Not all existing international and sectoral standards at play in transition processes contain adequate social criteria, many are blind to human rights standards, and some are also incoherent with each other. Efforts to support greater coherence and alignment will be necessary to adequately guide the social dimensions of transitions. This includes within the new just transition work programme announced at COP27 to ensure integrity of these processes, particularly in light of the limited information publicly available to date clarifying the programme's objectives and modalities. New specific international standards might also be needed to clarify both the definition and normative framing of what constitutes a “just” transition. This lies firmly within the remit of governments, intergovernmental organisations and normative mandates, but will require significant research and advocacy to embed the needs and perspectives of those most vulnerable and potentially affected from the outset.
- **Systems mapping:** Mapping of the relationships and feedback loops, including existing standards governing the socio-economic impacts of transition processes, as well as actors and trends at play across the complex just transitions ecosystem. This would allow a deeper conversation to develop on coherence and gaps against the four essential elements outlined above. This systems mapping should include the “supply-side”, “demand-side” and “financing” dimensions, as three key enabling (or disabling) leverage areas.
- **Evidence-based planning tools and resources:** Currently most national and sectoral transition roadmaps only exist on paper. Whether plans move from paper to practice depend on the socio-economic dynamics they trigger. Evaluating this within developing roadmaps provides insights that guide planning and policy to achieve outcomes. This would also establish a critical baseline from which to be able to assess and measure progress over time.

- **Learning from the workforce transition for other key affected groups:** The just transition of the workforce is enshrined in the legal text of the *Paris Agreement* and a policy framework for operationalisation has been established in the 2015 ILO Just Transition Guidelines. These are the foundational tenants of the workforce just transition agenda and represent significant achievements in protecting a central group at the heart of the transitions ahead. A key task for other potentially affected groups is to learn from and adapt these models appropriately to advance understandings and recognition of the other groups less examined in transition planning and implementation to date.
- **Impact and benefit models:** Learning from effective approaches to develop models for mandating and regulating co-ownership, equity, and benefit models with and for workers and local communities and indigenous peoples.
- **Assessment criteria of just transition-related disclosures:** Social issues are notoriously difficult to measure, in stark contrast to the very measurable metric of Greenhouse Gases and other climate-related data. As just transition plans begin to be implemented, a key means toward accountability relates to the disclosure and wider communication around challenges, lessons learned, and corrections made as the learning-by-doing process of real-time transitions unfolds. Deepening existing frameworks and developing complementary assessment criteria to mature communications to convey what matters, not just what is measurable, will aid progress and serve as a key route toward deeper accountability long-term.
- **Following the money:** How transitions are financially structured is a crucial area for examination, including everything from assessing the social and environmental “labels” on financial products to the mapping of ownership behind major industrial operations ripe for aggressive decarbonisation or close down.
- **Catalysing greater collective action:** International cooperation and collaboration is critical to keeping the 1.5° C target alive while ensuring that no one is left behind. Efforts to open-source and drive an environment of cooperation, solidarity, reciprocity, and complementarity will be essential, resisting politicisation while recognising that respect for national circumstances will be essential to just transitions.

The recommendations outlined above will be further developed by the Institute for Human Rights and Business (IHRB) and partners, in particular contributions that support all actors in understanding i) the core elements of what makes a transition ‘just’; ii) the key mechanisms for delivering it; and iii) the messaging and narratives that will make it stick.

Regional consultations with key policy makers across public and private sectors, as well as trade union and civil society leaders will be needed to test the effectiveness of these approaches in driving greater coherence, comparability, and accountability over just transition initiatives locally, nationally, and internationally. Moving forward, IHRB will seek to play a supportive role in catalysing this collective action over the coming months and years, in partnership with the participants of the Wilton Park Dialogue and diversity of actors across the just transition ecosystem.

Rapporteur:

Haley St. Dennis

Head of Just Transitions programme, Institute for Human Rights and Business
Wilton Park | January 2023

Wilton Park reports are brief summaries of the main points and conclusions of a conference. The reports reflect rapporteurs’ personal interpretations of the proceedings. As such they do not constitute any institutional policy of Wilton Park nor do they necessarily represent the views of the rapporteur. Wilton Park reports and any recommendations contained therein are for participants and are not a statement of policy for Wilton Park, the Foreign, Commonwealth and Development Office (FCDO) or His Majesty’s Government.

Should you wish to read other Wilton Park reports, or participate in upcoming Wilton Park events, please consult our website www.wiltonpark.org.uk. To receive our monthly bulletin and latest updates, please subscribe to <https://www.wiltonpark.org.uk/newsletter/>

7. Appendix: Background on Just Transitions – History and Key Terms

In order to understand the current state of play in just transitions implementation, it is beneficial to have an understanding of both the term's history as well as some central concepts, in particular: sustainable development, justice, and equity.

History of the Just Transition Agenda

The just transition concept has grassroots origins in activist efforts to align trade union and worker struggles with environmental action and concern for environmental justice.²⁸ The term is widely recounted to have originated in the 1970s; the product of the efforts of US trade unionist Tony Mazzocchi to secure the support of environmentalists to help the Oil, Chemical and Atomic Workers' Union to tackle health and safety issues at Shell refineries.²⁹

International union federations began to adopt 'just transition' language through a series of resolutions in the late 1990s.

Climate change became a focus by 1997, when the International Confederation of Free Trade Unions (one of the predecessors of the International Trade Union Confederation, ITUC) adopted a declaration that reportedly referred to "'just transition' policies that include measures for equitable recovery of the economic and social costs of climate change programmes".³⁰

It wasn't until 2010 that take-up of just transition reached the intergovernmental climate field, when agreements that emerged from COP16 in Cancún incorporated references to just transition.³¹ Efforts were consolidated throughout 2009-2014, as part of a joint UNEP, ILO, ITUC, and IOE Green Jobs Initiative, elements of which were later integrated within UNEP's work on the 'green economy' and the ILO's 'green jobs' and 'decent work' agendas.³²

In a milestone development, 2015 saw agreement on a work-centred reference to just transition in the Preamble to the *Paris Agreement*, which states:

"Taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities".³³

At the same time, the transition into "green and decent jobs" aligned with sustainable development was reflected in the ILO's 2015 *Guidelines on Just Transition Towards Environmentally Sustainable Economies and Societies for All*.³⁴ These Guidelines offer a "vision, opportunities and challenges, guiding principles and the types of policies to implement" with a focus on workforce transition.

The 2015 *Paris Agreement* also included important encouragement for states to consider the links between climate change and human rights more widely in their climate action, noting:

"Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity."³⁵

²⁸ This section is drawn from the report by Halina Ward for IHRB "Just Transitions for All: Business, Human Rights, and Climate Action" (2020) at: <https://www.ihrb.org/focus-areas/just-transitions/report-just-transitions-for-all>

²⁹ UNRISD "Mapping Just Transition(s) to a Low-Carbon World" Just Transition Research Collaborative" (Dec 2018), at:

[http://www.unrisd.org/80256B3C005BCCF9/\(httpPublications\)/9B3F4F10301092C7C12583530035C2A5?OpenDocument](http://www.unrisd.org/80256B3C005BCCF9/(httpPublications)/9B3F4F10301092C7C12583530035C2A5?OpenDocument)

³⁰ Ibid.

³¹ "Framework Convention on Climate Change" FCCC/CP/2010/7/Add.1, Part I, para. 10, and Part E, fourth recital (Mar 2011), at <https://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>

³² ILO "Green Jobs" (2008) at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_158727.pdf

³³ *Paris Agreement*, Preamble (2015) at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf

³⁴ ILO "Guidelines on Just Transition Towards Environmentally Sustainable Economies and Societies for All" (2015), at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf

³⁵ *Paris Agreement* (2015) at https://unfccc.int/sites/default/files/english_paris_agreement.pdf

In 2018, at COP24 in Katowice, Poland the *Silesia Declaration*³⁶ was launched at the initiative of the COP24 Presidency and gained the support of 56 leaders.³⁷ The *Silesia Declaration* addresses both adaptation and mitigation, referring to social dialogue to promote the wellbeing of “workers and their communities” when “developing nationally determined contributions, long-term low greenhouse gas development strategies and adaptation planning processes”.³⁸ The *Silesia Declaration* was significant for including community dimensions squarely within the global just transitions agenda, stating that the goal is to ensure “an effective and inclusive transition to low greenhouse gas emission and climate resilient development”.³⁹ The significance of resilience to just transition was emphasised in follow-up work by the Polish Presidency of COP24, which published a just transition Toolbox in 2019.⁴⁰ The Toolbox encompasses mitigation, adaptation, and resilience, reaching well beyond the original workplace focus of labour market transition.

More recently, the 2021 negotiations at COP26 in Glasgow, deepened this holistic focus on the social impacts of climate action and the importance of embedding just transition into national and international policy frameworks for economic development, climate change, and social inclusion. The outcome document – known as the “Glasgow Pact” – includes references to human rights, the rights of indigenous peoples, and gender equality, as well as the need for social and environmental safeguards.⁴¹ It calls upon member state parties to undertake rapid decarbonisation action “while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognising the need for support towards a just transition”.⁴² It also urges those countries that have not yet submitted long-term strategies “towards just transitions to net-zero emissions by or around mid-century” to do so before COP27. The “Implementation” section also recognises:

“the need to ensure just transitions that promote sustainable development and eradication of poverty, and the creation of decent work and quality jobs, including through making financial flows consistent with a pathway towards low greenhouse gas emission and climate-resilient development, including through deployment and transfer of technology, and provision of support to developing country Parties”.⁴³

This brief history of the just transition concept demonstrates how understandings and formal recognition of just transitions in global climate policy making has evolved over recent years.

Initially and primarily understood as a workplace transition, the concept has since widened to reflect a whole-of-society approach to people-centred decarbonisation, adaptation, and resilience building.

This was reinforced most recently at COP27, where the Sharm El Sheikh Implementation Plan noted in relation to pathways to a just and equitable transition:⁴⁴

“Affirms that sustainable and just solutions to the climate crisis must be founded on meaningful and effective social dialogue and participation of all stakeholders and notes that the global transition to low emissions provides opportunities and challenges for sustainable economic development and poverty eradication;”

and

“Emphasises that just and equitable transition encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition, and highlights the important

³⁶ “Solidarity and Just Transition” *Silesia Declaration* (2018), at:

https://cop24.gov.pl/fileadmin/user_upload/Solidarity_and_Just_Transition_Silesia_Declaration_2_.pdf

³⁷ Ministry of Environment, Poland “Solidarity and Just Transition: Summary Report of the Actions” (2019), at:

<https://vdocuments.mx/solidarity-and-just-transition-cop24-2019-10-16-7-cop24-presidency-solidarity.html?page=3>

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ UNFCCC “Glasgow Climate Pact” (Nov 2021) at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-glasgow-climate-pact-key-outcomes-from-cop26>

⁴² Ibid.

⁴³ Ibid.

⁴⁴ UNFCCC “Sharm el-Sheikh Implementation Plan” (20 Nov 2022)

https://unfccc.int/sites/default/files/resource/cma2022_L21_revised_adv.pdf

role of the instruments related to social solidarity and protection in mitigating the impacts of applied measures;

Key Term: Sustainable Development

The evolving scope of just transitions within intergovernmental policy making outlined above highlights the integral nature of sustainable development to understanding the concept of just transitions.⁴⁵

The term sustainable development crystallised with the publication in 1987 of the report of the World Commission on Environment and Development, “Our Common Future”.⁴⁶ This contained what remains to this day the most frequently adopted definition; namely that sustainable development is:

“development which meets the needs of the present without compromising the ability of future generations to meet their own needs.”

A series of United Nations conferences have helped to advance sustainable development as a global agenda. The *UN Framework Convention on Climate Change* was itself one of the outputs of the 1992 UN Conference on Environment and Development (or Rio Earth Summit). Then in 2012, the policy document that was the principal outcome of the UN Conference on Sustainable Development, “The Future We Want”, contained a major emphasis on the need and means for implementation of a ‘green economy’ in the context of sustainable development and poverty eradication.⁴⁷ The ‘green economy’ concept is particularly helpful, alongside the 2015 ILO Just Transition Guidelines, in understanding what a transition-out of greenhouse gas emissions intensive production might transition-in to.

In 2015, member states of the United Nations adopted seventeen Sustainable Development Goals (SDGs), which form part of the UN 2030 Agenda for Sustainable Development. The seventeen goals and their associated 2030 targets offer a plan of action “for people, planet and prosperity” for all countries and all stakeholders and reaffirm the commitment of UN members to human rights.

By adopting the 2030 Agenda for Sustainable Development, Member States committed to achieving sustainable development for all nations and peoples and for all segments of society.

The 2030 Agenda is based on the ideals of inclusiveness and shared prosperity and member states pledged to leave no one behind and to endeavor to reach the furthest behind first. It emphasises the imperative of addressing the inter-linkages between social, economic, and environmental dimensions of sustainable development.

As of 2022, half-way between their creation in 2015 and 2030 target, progress toward achieving the Goals is bleak, with almost every indicator off track.⁴⁸ This was the trajectory well before the outbreak of the COVID 19 pandemic in 2020, just four years after their creation, and the invasion of Ukraine in 2022 that prompted global energy and food crises, further setting back development progress. However, decarbonisation has presented a renewed opportunity for the development agenda, if deep and swift decarbonisation to halve emissions by 2030 is met through processes that respect human rights while creating decent work and quality jobs, eradicating poverty, and ultimately promoting decarbonisation as a development imperative.

⁴⁵ This section is drawn from the report by Halina Ward for IHRB “Just Transitions for All: Business, Human Rights, and Climate Action” (2020) at: <https://www.ihrb.org/focus-areas/just-transitions/report-just-transitions-for-all>

⁴⁶ World Commission on Environment and Development “Our Common Future” (Oxford: Oxford University Press, 1987), at page 8.

⁴⁷ “The Future We Want” UNGA A/RES/66/288 United Nations (11 Sep 2012), Annex, at: http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/66/288&Lang=E

⁴⁸ Goalkeepers “2022 Report” (2022) at: <https://www.gatesfoundation.org/goalkeepers/report/2022-report/#ExploretheData>

Key Term: Justice

Another term central to understanding the concept and current state of play of just transitions is “justice”. In this context, there are various forms at play, often at once and in combination, including but not limited to:

- **Climate justice:** Concerns addressing the moral and legal implications of vulnerability to climate change itself, caused by human-induced greenhouse gas emissions. The impacts of actions to tackle climate change can be understood as part of a wider climate justice agenda.
- **Environmental justice:** Concerns the fair treatment and meaningful involvement of all people regardless of race, colour, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. It acknowledges the historical pattern that many low-income communities and communities of colour experience disproportionate exposure to pollution and other health hazards.
- **Ecological justice:** Concerns the state of balance between human communities and healthy ecosystems based on thriving, mutually beneficial relationships and participatory self-governance. It emphasises the need to challenge and shift systemic power from the current extractive culture to one of balance for all living beings and ecosystems
- **Distributive justice:** Concerns the fair distribution of risks and opportunities, cognisant of gender, race, and class inequalities. In the context of just transition, it focuses on ensuring impacted workers and communities do not carry the overall burden of the transition, and the costs of adjustment are borne by those historically responsible for the problem.
- **Procedural justice:** Concerns the empowerment of and support for workers and communities to define their own development and livelihoods. In the context of just transition, it focuses on the agency of those affected by the economic and industrial transitions to have a say in the decisions that will affect their livelihoods and communities.
- **Restorative justice:** Concerns redressing the historical damages against individuals, communities, and the environment, with a particular focus on rectifying or ameliorating the situations of harmed or disenfranchised communities. In the context of just transition, it is about healing the land and the people that have been harmed by the traditional fossil fuel and other extractive industrial practices that led to the climate crisis.
- **Transitional justice:** Concerns an approach to systematic or massive violations of human rights that both provides redress to victims and creates or enhances opportunities for the transformation of the political systems, conflicts, and other conditions that may have been at the root of the abuses. In the context of just transition, transitional justice principles can be informative to the objectives of achieving transformational change through decarbonisation, and not merely a linear high- to low-carbon transition that fails to address the wider social risks and opportunities at hand.
- **Intergenerational justice:** Concerns the idea that present generations have certain duties towards future generations and how to balance the rights of those alive today against the rights of future generations. In the context of global warming and its causes, this includes the risks those living today are imposing on future generations and how available natural resources can be used without threatening the sustainable functioning of the planet's ecosystems. (see also intergenerational equity below).

The notion of justice is one that has been used in a myriad of ways across just transition commitments and plans by countries and companies to date, as well as by a range of local and international actors calling for varying forms of justice as part of the shift to decarbonised

societies. It should be understood in the local context, and as such its use and intended meaning varies from context to context and even within a specific context depending on who is using the term and the historical, environmental, and resource issues at play.

Two of the earliest national just transition plans illustrate this locally determined variance. Procedural, distributive, and restorative justice are central to the South African Presidential Climate Commission's "Just Transition Framework" released in 2022.⁴⁹ Conversely, the Scottish Just Transition Commission⁵⁰ and Government Framework⁵¹ do not refer to any of the "forms" of justice as such but frame their plan around the need to reorient traditional understandings away from "mitigating injustices after they have arisen" and to establishing a national net-zero transition plan to "tackle existing inequalities and to build a society that prevents injustice from occurring in the first place".

Key Term: Equity

References to equity permeate governmental and private sector just transition commitments. As with justice, there are various forms of or principles for equity in the context of climate action. The first three in particular stem from the 1992 *Rio Declaration on Environment and Development*⁵² and are complementary to understandings of justice and just transition:

- **Intragenerational equity:** Can be understood as a complement to the need for action to address the rights and needs of those currently most vulnerable to climate change (i.e. fairness or justice between people alive now).
- **Intergenerational equity:** Can be understood as speaking to the implications of climate change for future generations (i.e. fairness between people alive today and those who will be born in the future). It can also help to drive advances in human rights law, which recognises rights of future generations only to a limited extent.⁵³
- **The polluter pays principle:** Can be understood as those most responsible for causing the climate crisis bearing the greatest responsibility for addressing it, both in action to mitigate the human rights impacts of climate change and the need to provide remedy to people adversely affected by climate change, including actions involving businesses (i.e. that polluters should bear the costs of pollution – both in terms of prevention and remedial action).⁵⁴
- **Common but differentiated responsibility (CBDR):** Can be understood as the agreement that all states are responsible for addressing global environmental destruction, but not equally, due to differences in contributions to the problem and capabilities to address it.

In the context of the climate crisis and climate action, issues of equity can add significant complexity to meeting the challenge. For example, which nations get to benefit from the "global carbon budget" remaining within the 1.5 °C threshold; fundamental economic inequities in access to finance and their terms and conditions, including historic debt levels and structures, as well as facilities for current and future loss and damage; also issues of "stranded natural assets" (resources left in the ground versus extracted for development) and the view by many developing nations that fossil fuel resources not tapped now are security for future development and achieving the SDGs.

⁴⁹ South Africa Presidential Climate Commission "A Framework for a Just Transition in South Africa" (July 2022) <https://pcccommissionflow.imgix.net/uploads/images/A-Just-Transition-Framework-for-South-Africa-2022.pdf>

⁵⁰ Scottish Just Transition Commission "A national mission for a fairer, greener Scotland" (March 2021) <https://www.gov.scot/publications/transition-commission-national-mission-fairer-greener-scotland/documents/>

⁵¹ Scottish Government, "Just Transition" A Fairer, Greener Scotland" (Sep 2021) <https://www.gov.scot/publications/transition-fairer-greener-scotland/documents/>

⁵² See e.g. the Rio Declaration on Environment and Development A/CONF.151/26, (12 Aug 1992), at: https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_CONF.151_26_Vol.I_Declaration.pdf

⁵³ "Beyond the short term: Legal and institutional space for future generations in global governance" Halina Ward pp3–36, (2012)

⁵⁴ Rio Declaration, Principle 16, A/CONF.151/26, (Aug 1992), at: https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_CONF.151_26_Vol.I_Declaration.pdf