

# JUST TRANSITION WORK PROGRAMME

Shaping International Cooperation  
and National Action for Just Transition

**Chandra Bhushan and Srestha Banerjee**

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# 1. Context

**The United Arab Emirates (UAE) Just Transition Work Programme (JTWP)** was established at the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA.5) in 2023. As noted in the decision text, the objective of the JTWP shall be the discussion of pathways to achieving the goals of the Paris Agreement outlined in Article 2, paragraph 1, in the context of Article 2, paragraph 2<sup>1</sup>. The work programme will also inform the second global stocktake (GST) and other relevant processes, including the annual high-level ministerial round table on just transition.<sup>2</sup>

The next three years (2024-2026) are crucial for the implementation of the JTWP before the review period of the second GST starting in 2026 (and completing in 2028). The decision text of the UAE-JTWP also notes the effectiveness and efficiency of the work programme will be reviewed at CMA.8 in 2026 when its continuation will also be decided.

The UAE-JTWP provides a crucial opportunity to strengthen global climate action in a just and inclusive manner, and through international cooperation for achieving the goals of the Paris Agreement. Towards this, two dialogues on the work programme have been held this year (2024)- the first one in Bonn Germany in June and the second one in iSharm el-Sheikh, Egypt in October, under the guidance of the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), and the Chair of the Subsidiary Body for Implementation (SBI). The first dialogue was focused on discussing “Just Transition pathways to achieving the goals of the Paris Agreement through Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and long-term low-emission development strategies (LT-LEDs)” and the second dialogue focused on “Ensuring support for people-centric and equitable just transition pathways with a focus on the whole-of-society approach and the workforce.”<sup>3</sup>

As interventions to the dialogues, Party and non-party members were invited to submit their viewpoints on the covering aspects of opportunities, challenges and barriers, best practices, and actionable solutions relevant to the topics of the dialogues.

This position paper highlights the opportunities, challenges and barriers for just transition particularly in the context of Global South countries, and outlines the key considerations for suitably integrating just transition pathways into country NDCs, NAPs, and LT-LEDs to achieve the Paris Agreement goals.

## 2. Opportunities, Challenges, and Barriers for Just Transition

**Just transition** fundamentally requires countries to plan an inclusive economic transformation, from a fossil fuel-dependent economy to a green economy, that is low-carbon and energy and resource-efficient economy, that will enhance prospects of green jobs, build resilient communities, and ensure social equity.

The opportunities, challenges, and barriers to just transition that are outlined below are in the context of Global South countries that need to plan and implement a just transition in the next 30 to 40 years to collectively address the climate crisis.

### i. Opportunities

The transition to a green economy promises to usher in a wave of new opportunities and growth avenues for countries of the Global South, including India. Innovative and comprehensive policies and plans, strong

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1 United Nations. (2023). UAE Just Transition work programme. [https://unfccc.int/documents/636589?gad\\_source=1&gclid=CjwKCAjwx-CyBh-AqEiwAeOcTdfxyT1lizv7N91so-mjh\\_vP\\_yjGR9BhkWvWXV2WUqkNNqnGepuBRoCTeUQAvD\\_BwE](https://unfccc.int/documents/636589?gad_source=1&gclid=CjwKCAjwx-CyBh-AqEiwAeOcTdfxyT1lizv7N91so-mjh_vP_yjGR9BhkWvWXV2WUqkNNqnGepuBRoCTeUQAvD_BwE)

2 Ibid

3 United Nations. (2024). First dialogue under the UAE Work Programme on Just Transition Pathways “Just Transition pathways to achieving the goals of the Paris Agreement through NDCs, NAPs and LT-LEDs. <https://unfccc.int/documents/638803>

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governance mechanisms, and technological innovations, collectively can provide the opportunity to leapfrog into green economic development opportunities of the twenty-first century, while safeguarding the environment, strengthening prospects of inclusive development, and improving the quality of life for all.<sup>4</sup>

## ii. Challenges

While there are enormous opportunities that the transition can offer, there are unique challenges in developing countries that must be addressed in the process of the transition.<sup>5</sup> Following are some of the key challenges:

- (a) There is a large-scale direct, indirect, and induced income dependence on fossil fuel industries and along the value chains, for employment and income. Besides, there is a significant induced dependence (such as on local businesses) on these industries because of the centrality of these sectors to the local economy. Ensuring a just and inclusive transition of all impacted workers engaged in the fossil fuel industries, the value chains, and those part of the induced economy, remains a challenge and will require strategic planning.
- (b) Fossil fuel-dependent regions remain vulnerable to any abrupt transition given the historic dependence of the local economy on the fossil fuel industries. This includes dependence on these industries for jobs, state and local government revenue, and social investments. Therefore, transitioning to more sustainable industries will require upfront investments in sustainable economic diversification and development of these regions to ensure economic continuity and social vitality.
- (c) There is a high proportion of informality among fossil fuel industry workers in many developing countries. This informal nature of employment of workers associated with the fossil fuel industries creates challenges, with limited legal protections, social security, and representation, which remain a challenge for adopting a standardized transition process under existing regulatory structures and the rights of workers specified under them.
- (d) Many informal workers lack formal education and specialized skills, which hinders their ability to transition to new industries or adopt new technologies.
- (e) Overall, there are unique challenges of poverty and underdevelopment among communities in fossil fuel-dependent regions. The low-income levels, and poor access to social infrastructure and services, including access to clean energy, undermine the ability of these communities to respond to any abrupt change. Therefore, building the resilience of these communities through investments in social infrastructure and services will be important to build their resilience and increase their adaptive capacity in the event of energy transition.

## iii. Barriers

Planning and implementing just transition measures require certain enablers, such as comprehensive policies, coherent governance mechanisms, financial resources, and a clear understanding of the concept, among others.

A fundamental barrier is a clear understanding and consensus around the just transition concept. Overall, assessment of various country positions of just transition and the pathways that need to be adopted shows that just transition is primarily viewed as a component of mitigation action (with views on integration into adaptation action gaining grounds), with workforce transition remaining a key focus. While attention to a 'whole of economy' approach is emerging (as proposed in the submission of the European Union), however, it is limited, and without further elaborations, seems to be at a nascent stage.<sup>6</sup>

For developing countries, finance is also a significant barrier to achieving a just transition. Implementing just transition measures will require huge investments, including for development of green energy infrastructure,

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4 Bhushan, C. and Banerjee, S, 2023. Just Transition Framework for India: Policies, Plans and Institutional Mechanisms. International Forum for Environment, Sustainability and Technology (iFOREST), New Delhi, India

5 Ibid

6 International Forum for Environment, Sustainability and Technology (iFOREST), (2024). First Dialogue on UAE-Just Transition Work Programme Just Transition pathways to achieving the goals of the Paris Agreement through NDCs, NAPs, and LT-LEDs. <https://iforest.global/wp-content/uploads/2024/06/Issue-Brief-Final.pdf>

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repurposing of energy assets, economic diversification, workforce transition, building resilient communities, and planning, capacity development, and strengthening governance mechanisms, among others<sup>7</sup>. Many countries lack the necessary financial resources to invest in green energy infrastructure, scaling up technologies, and large-scale repurposing of energy assets, which are necessary for low-carbon development, local economic diversification, and retaining and creating jobs.

Besides, there are several other fundamental challenges and barriers to operationalizing just transition. These include a lack of understanding of the concept (JT) and a consensus around it, the capacity to bring more understanding to socio-economic issues (including data and quantitative estimates), and the need to prioritize qualitative outcomes that are not essentially a return on investments, among others.

### 3. Integrating just transition pathways in NDCs, NAPs, and LT-LEDs to achieve Paris Agreement goals

**Under the** Paris Agreement (tenth preambular paragraph),<sup>8</sup> the Glasgow Climate Pact,<sup>9</sup> and the Sharm el-Sheikh Implementation Plan,<sup>10</sup> just transition remains a comprehensive agenda for transitioning away from fossil fuels and building a low-carbon economy while promoting the objectives of sustainable development, poverty eradication, and the creation of decent work and quality jobs. A collective reading of the United Nations Framework Convention on Climate Change (UNFCCC) deliberations suggests that just transition is a crucial concept that frames the social dimensions of climate action ensuring that the shift towards a low-carbon economy is inclusive, equitable, and leaves no one behind.

To integrate just transition pathways suitably into country NDCs, NAPs, and LT-LEDs to achieve the Paris Agreement goals, the following aspects must be considered.

#### i. Considering just transition as a meta-narrative to guide inclusive climate action

The concept (just transition) can be considered as a meta-narrative to guide the overarching principles and actions in climate mitigation, adaptation, and disaster management. This will also help to ensure that the mitigation, adaptation, and disaster management measures are designed under the NDCs, NAPs and LT-LEDs in a manner that they do not function as isolated agenda, but function in a coordinated and complimentary manner towards achievement of the climate goals guided by just transition principles.

Overall, the objective of just transition (and its integration in NDCs, NAPs, and LT-LEDs) should be aimed at achieving the following outcomes by encompassing various aspects of climate action. The key intended outcomes are:

- i. Build a resilient green economy to meet the net zero target by developing new green businesses and by supporting fossil fuel-dependent businesses to shift to green energy and industry(ies);
- ii. Improve the social, economic, and environmental resilience of fossil fuel-dependent regions, including from climate change impacts;

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7 Bhushan, C. (2023). Just Transition Just Finance: Methodology and Costs for Just Transition in India. International Forum for Environment, Sustainability and Technology (iFOREST), New Delhi, India

8 UNFCCC. (2015). Paris Agreement. Available at [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

9 UNFCCC. (2021). Glasgow Climate Pact. <https://unfccc.int/documents/310475>

10 UNFCCC. (2022). Sharm el-Sheikh Implementation Plan. Available at [https://unfccc.int/documents/624444?gad\\_source=1&gclid=CjwKCAjw57exBhAsEiwAaIxaZj3B8NzQFHW6UngpFnpgZSgTBmLBU66cKbqbwFLY8M00AB5EA3hguhoCosMQAvD\\_BwE](https://unfccc.int/documents/624444?gad_source=1&gclid=CjwKCAjw57exBhAsEiwAaIxaZj3B8NzQFHW6UngpFnpgZSgTBmLBU66cKbqbwFLY8M00AB5EA3hguhoCosMQAvD_BwE)

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- iii. Support workers and communities affected by the fossil fuel phase down in a manner that they are better off than before;
  - iv. Enhance energy security and access by at least substituting the existing fossil fuel-dependent energy generation systems with equivalent green energy; and,
  - v. Ensure an inclusive process by including all stakeholders, especially affected workers and communities, in the decision-making.

These outcomes will collectively help to achieve an equitable and inclusive socio-economic development aligned with the goals of achieving net zero emissions.

## **ii. Identifying support needs at the local, regional, national, and international levels through systematic approaches**

Currently, there are very few countries where just transition is being addressed systematically. Likewise, the regional and international cooperation and support for just transition is limited. But broadly, the support needs at the local, national, and international levels for implementing transition measures are largely being identified through top-down and broad-based approaches.

Consider the case of finance, one of the key needs for implementing just transition measures. iFOREST's analysis shows that there is no established empirical method to estimate the cost of a just energy transition.<sup>11</sup> The just transition investment plans of countries like Germany, Poland, South Africa, and Spain have used different methods and thumb rules to estimate the costs. The support needs are currently being determined in a top-down manner. These are largely guided by the laws that exist at the national level. The big-ticket investments are also the results of negotiations instead of estimations.

Another example is the understanding and quantification of the impact of the energy transition on the workers and the local economy, especially the induced economy in the fossil fuel regions. While the impact on the induced economy, such as local businesses, etc., can be the most important factor in mono-industry regions (such as the coal regions in India and several other countries), there is no clear understanding or agreed-upon approach to determining the induced economy. In the absence of it, JT measures at the national, regional, and local levels are highly focused on formal workers. While issues of informal workers and induced economy are acknowledged, their support needs are not being determined.

Therefore, for effective national and sub-national action, and international cooperation, quantifying the impacts of the energy transition on these critical segments is essential. For just transition financing it is important that the quantum of costs are determined by applying an empirical methodology, so that actual costs of just transition are quantified, and public and private finances from both domestic sources, and through international cooperation can be appropriately mobilized.<sup>12</sup>

## **iii. Opportunities of the UEA-JTWP to support action**

The dialogues on JTWP are crucial for establishing a shared understanding of what a just transition encompasses and the specific implications it carries. This foundational meeting will not only clarify key concepts but also set the stage for subsequent dialogues and action by the Parties, ultimately shaping the direction and outcomes of the JTWP.

There are two umbrella issues that need to be addressed for Parties to suitably revise their respective NDCs, NAPs, and LT-LEDs to integrate just transition measures. These include the following:

- (a) Ensure mechanism to make just transition a comprehensive agenda of climate action; and,
- (b) Strengthen international cooperation to support just transition in developing countries.

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<sup>11</sup> Bhushan, C, 2023. Just Transition Just Finance: Methodology and Costs for Just Transition in India. International Forum for Environment, Sustainability and Technology (iFOREST), New Delhi, India

<sup>12</sup> Ibid

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### **(a) Make just transition a comprehensive agenda of climate action**

To ensure that just transition remains a comprehensive agenda and is implemented in a well-coordinated manner three things are critical and must be ensured through the JTWP:

- i) Define what is meant by just transition/just transition pathways. The party submissions show that there is a lack of clarity and consensus on the definition of just transition and pathways.
- ii) Guide Parties and build their capacity to develop comprehensive just transition policy(ies) at the national level, and plans at the sub-national level which should guide what aspects of just transition can be integrated into NDCs, NAPs, and LT-LEDs. In the absence of it, these targets and plans will continue to be parallel documents without working towards one goal.
- iii) Guide Parties to develop just transition governance framework(s) at sub-national, national, and international levels. An international framework is essential to support developing countries achieve a just transition.

### **(b) Strengthen international cooperation to support just transition**

To strengthen international cooperation to support effective just transition measures in developing countries, the following are some of the key mechanisms/instruments that need to be supported:

- i) Ensure economic strategies and trade policies that support cost-effective measures of green economic transition in developing countries
- ii) Enable just transition financing in a manner that does not worsen the debt burden of developing countries. This includes relooking into the Just Energy Transition Partnerships (JET-P), practically the only financial cooperation that currently exists. The JET-Ps in their current form are largely energy transition plans and not 'just energy transition plans'. They are highly energy and hardware-focused, with a major focus on supporting investments in power and renewable energy (RE) infrastructure.
- iii) Help develop a just transition finance platform to provide financial support to developing countries, LDCs, AOSIS, etc., through public finance, including grants and concessional loans, and by creating enabling environments for private investments.
- iv) Help develop a just transition finance taxonomy, and indicators, to enable the flow of finances to the developing countries, LDCs, developed countries, and multilateral development banks (MDBs).
- v) Develop quantitative and qualitative metrics to measure progress and achievement of outcomes.
- vi) Facilitate sharing of best practices among partners to support the implementation of JT measures. However, best practice sharing should be encouraged from similar economies, and focus on cost-effective measures, so that the developing countries can implement it.

## **iv. Actionable points for Parties**

Following are some of the key actionable points on just transition that countries need to consider, support, and adopt for achieving the goals of the Paris Agreement through NDCs, NAPs, and LT-LEDs.

### **(a) Restructuring of the economy and industries, including transforming the energy sector in fossil fuel-dependent regions.**

This will include:

- i) Economic diversification and creation of new economic opportunities in green industries and a low-carbon economy
- ii) Harness the potential of local resources to strengthen the micro and small-scale industrial sector and economic activities.
- iii) Promote renewable energy, green hydrogen, storage, etc. in coal-dependent states to substitute their loss of fossil fuels.

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**(b) Reskilling and upskilling of the workforce and revitalization of communities to be impacted by the transition.**

This will include:

- i) Identifying at-risk sectors from low-carbon transitions and biophysical impacts of climate change, and developing sectoral job resilience and transition plans, including the type of social protection required for the workers.
- ii) Mandating the development of 'Workforce Transition Plans' for companies engaged in the fossil fuel industries, through tripartite engagement between the government, industry, and labour unions/worker's representatives to ensure consensual and time-bound action.
- iii) Providing reskilling and upskilling support, and reemployment assistance to both formal and informal workers, to improve their employability in the low-carbon economy.
- iv) Investing in foundational skills for workforce development aligning with evolving technology and skill needs of the low-carbon economy.
- v) Creating opportunities to maintain the economic vitality of communities and support induced workers.

**(c) Repurposing of land and infrastructure assets available with fossil fuel industries post-closure.**

This will include:

- i) Ensuring the repurposing of the fossil fuel infrastructure and land, including rehabilitation and reuse of coal mines, oil and gas facilities, and thermal power plants, for economic diversification in the fossil fuel regions.
- ii) Ensuring the repurposing of the fossil fuel infrastructure and land to support the development of green energy infrastructure and ensure green energy access for local communities.
- iii) Engaging local communities in repurposing and redevelopment measures to create local employment.

**(d) Responsible environmental practices to foster transformative change**

This will include:

- i) Ensuring a life-cycle evaluation approach for economic diversification and green industry development, to ensure responsible energy and material use at every stage of the production process, and end-of-life material management.
- ii) Improving the environmental and ecological conditions of coal mining areas through proper closure and decontamination of mining areas, including abandoned mines.
- iii) Minimizing the creation of brownfield industrial sites, by developing strong policies, and monitoring and implementation measures, for the closure and decommissioning of industrial facilities at the end of their operational lives.

**(e) Resilient community building and responsible social investments**

This will include:

- i) Identifying potential transition risks communities, and prioritizing risk-informed strategies, plans, and investments, to reduce vulnerabilities and the need for disaster response.
- ii) Investing in climate resilient infrastructure social and physical infrastructure that can withstand disasters and support community needs during emergencies.
- iii) Ensuring clean energy access in fossil fuel-dependent regions.
- iv) Supporting investments in affordable technologies, including electric cooking, that can replace coal, fuel wood, and other polluting fuels, providing the dual benefits of clean environment and public health.
- v) Strengthen people-centric management of natural resources to strengthen conservation measures and enhance natural resource-based economic opportunities among local communities.



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## **(f) Responsible financing**

This will include:

- i) Conducting region-specific assessments to identify costs and financial requirements for a just and inclusive energy transition, and to ensure precise mobilization and allocation of resources.
- ii) Developing policies and fiscal instruments for green energy and green industry development in fossil fuel-dependent regions.
- iii) Developing policies and programs to provide grants, and interest-free or low-interest loans to support structural development and welfare measures in fossil fuel-dependent regions, including support for entrepreneurship for green industries, including micro, small, and medium enterprises (MSMEs).
- iv) Developing an 'integrated national financing framework' (INFF) as proposed by the UN<sup>13</sup>, to mobilize financial resources to support sustainable development financing and social development and welfare measures for just transition.
- v) Unlocking the potential of risk-informed public and private sector financing to build community resilience and minimize losses to the economy and the local community in the event of a crisis.
- vi) Encouraging investors and financial institutions to engage in meaningful social dialogue with various stakeholders, particularly in fossil fuel-dependent regions, to assess and act on the social risks and opportunities of just transition investments.

## **(g) Social dialogue and inclusive decision-making**

Effective social dialogue and inclusive decision-making processes will be a key determinant for the planning and implementation of just transition measures as well as pathways of inclusive, low-carbon development to meet the Paris Agreement goals.

To ensure this the following actions will be necessary:

- i) Developing a formal process of engagement with various stakeholders to ensure meaningful dialogue and informed decision-making.
- ii) Creating mechanisms and platforms, including physical and digital, to ensure participation of all stakeholders in various stages of the planning and implementation and to aid in sharing information.
- iii) Creating a formal grievance redress and dispute resolution mechanism.
- iv) Designing and strengthening mechanisms of public disclosure to build accountability and ensure collective and long-term commitment to support a just transition.

Overall, the UAE-JTWP provides a crucial opportunity to shape international cooperation and guide national action for a just transition. The next three to five years remain the testing ground for action to record promising progress by Parties before the second GST in 2028.

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<sup>13</sup> United Nations. Integrated National Financing Framework<sup>2</sup> Available at <https://financing.desa.un.org/what-we-do/other/integrated-national-financing-frameworks>

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Email: [contact@iforest.global](mailto:contact@iforest.global)  
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