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The Committee for Development Policy (CDP) is a subsidiary body of the United Nations Economic and Social Council (ECOSOC) Subsidiary bo

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As the world moves rapidly towards low-carbon, “green”, sustainable economies, the call for just and inclusive green transitions has become increasingly resonant.

Moving towards low-carbon economies will require balanced

Such transitions must therefore align with both the spirit and the substance of the 2030 Agenda for Sustainable Development, drawing on investment pathways and policy frameworks that cut across sectors and systems to deliver equitable and inclusive outcomes. This change will require a carefully considered approach

mented. The approach to just transitions will need to accommodate different viewpoints if it is to lead to meaningful action at both national and international levels.

In this Policy Note, members of the Committee for Development Policy (CDP) reflect on different aspects of the challenge of ensuring just transitions, with particular focus on its international dimensions.

I commend the CDP for its work and am sure that this publication





The designations employed and the presentation of the material in this publication do not imply the expression of any opinion what-



This Policy Note compiles perspectives from the Committee for Development Policy (CDP) and its members on different dimensions of a globally just transition to low-carbon and environmentally sustainable economies. It includes the central messages of the debates on just transition during the CDP's 2023 plenary meeting, on which the Committee reported to the Economic and Social Council, as well as pieces, individually authored and selected by CDP members, on ecologically sustainable industrialisation, breaking fossil fuel dependency, the potential and risks of carbon border adjustment mechanisms, the special challenges of middle-income countries (MICs) in securing a just transition; solutions for climate resilience, the market failures and political failures that hold back advances in sustainable development; and recent advances in multilateral action.





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Ensuring that no one is left behind or pushed behind in the shift to low-carbon and environmentally sustainable economies and societies is a matter of equity and justice but also critical, pragmatically, to ensure sustained climate action over time. From its origins in compensation for job losses, the concept of just transition has grown to incorporate different notions of justice, different kinds of transition, and different levels of ambition (see Annex). The concept of a just transition has also taken root in international agreements, meetings, declarations, and reports, including the Paris Agreement, successive Conferences of the Parties (COPs) of the United Nations Framework Convention on Climate Change (UNFCCC), the reports of the Intergovernmental Panel on Climate Change, and the High-Level Political Forum. A number of Just Transition Partnerships are underway, and, in June 2023, a group of world leaders released an open letter on “a green transition that leaves no one behind”. Ensuring a globally just transition requires tackling some of the deep-rooted development challenges. This Policy Note compiles perspectives from the Committee for Development Policy (CDP) and individual members

The first chapter contains the central messages of the debates on just transition during the Committee for Development Policy (CDP)’s 2023 plenary meeting, on which the Committee reported to the Economic and Social Council. The Committee stressed that countries need to develop, through inclusive dialogue, approach-

of their societies and their historical responsibilities for climate change and environmental degradation. The Committee further emphasised that the concept of just transition, while having originated in concerns for justice at the local and national levels, cannot be separated from the broader issues of global climate justice, common but differentiated responsibilities and respective capabilities.

A globally just transition requires countries to meet their climate commitments and ensure that in doing so they do not push poorer countries further behind by creating barriers to trade or excluding them from the opportunities associated with the expansion of new product markets. It also requires policy space for developing countries to develop their productive capacities, new intellectual property co-development frameworks for clean technologies, the expansion of systems for the payment of ecosystem services and

tainable infrastructure and for building resilience and advancing towards green industrialisation based on resilient and inclusive value chains.

Subsequent chapters contain reflections by individual CDP members on related issues. *Carlos Lopes* stresses the need for industrialisation and structural transformation with ecological sustainability but warns against approaches to a green transition that take for granted that the necessary technologies will be developed in industrialised nations and that perpetuate the global division of labour which is responsible for reproducing global inequalities. *Carlos Lopes* discusses the challenges of middle-income energy exporters facing the challenges of the global transition to renewables. In a second text, *Lopes* discusses how the European Union's carbon border adjustment mechanism could create sig-

adverse effects and provides adequate financial and technical support. These provisions, on the other hand, could drive positive transformation both for the climate and developing countries.

*Ghosh* highlights how approaches to just transition are necessarily different in middle-income countries (MICs), which face much higher levels of poverty and informality, among other challenges, and much lower financial and institutional capacity than rich countries. She stresses, in this context, the importance of strengthening North-South dialogue around just transition and ensure that just transition in rich countries does not have negative

er-income countries. Finally, in a series of three articles, *Ghosh*

climate resilience and prevention against the damages of extreme weather events and possible ways forward. Next, he draws attention to the need to ensure solutions for market and political failures that hold back advances in sustainable development, including the lack of insurance against non-linear climate risks, the gap between perceived and real risks in investing in sustainable infrastructure in developing countries, inadequate accounting of the ecosystem services provided by countries in the Global South, a widening clean technology divide, the absence of an energy security architecture for the fuels of the future, and a viable approach for the transition away from fossil fuels. Finally, *Ghosh* highlights recent advances in multilateral action in the context of the G20's Green Development Pact.

The annex contains a UN DESA Policy Brief that introduces the concept of just transition.

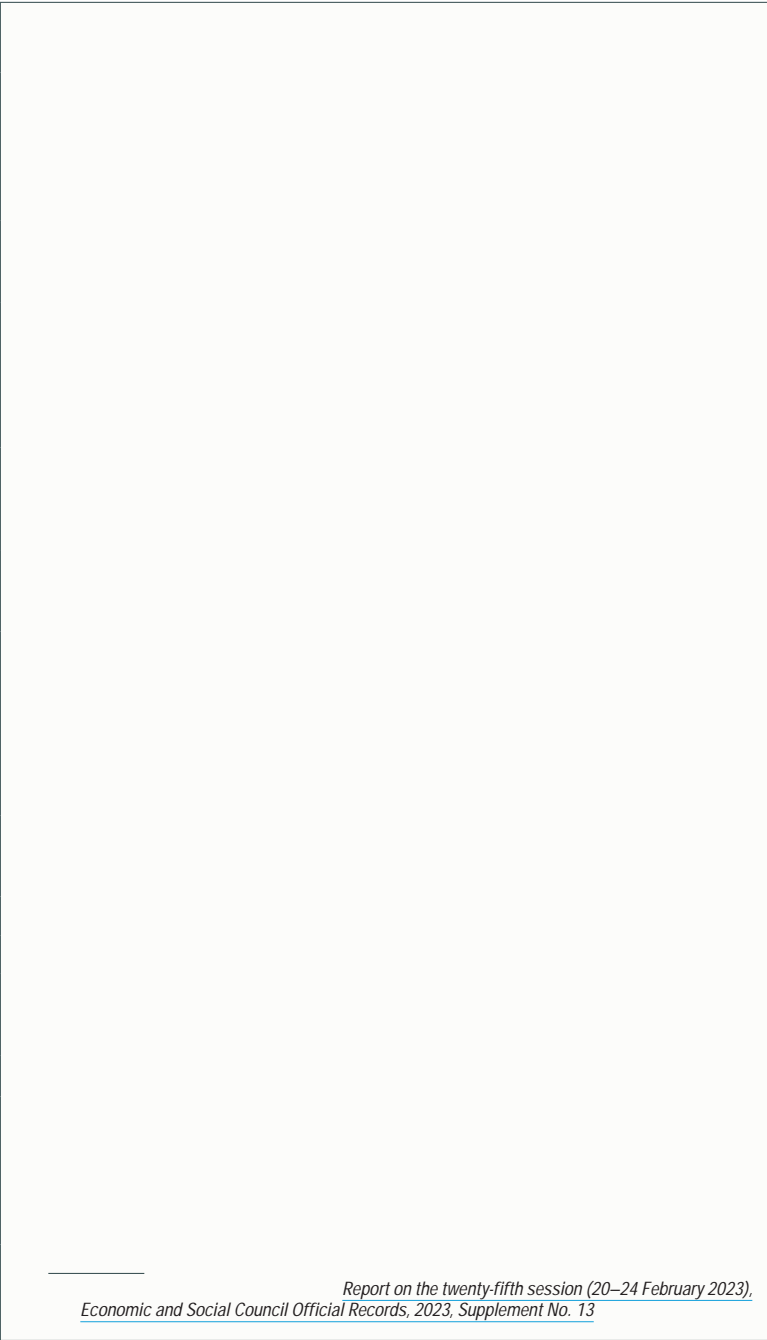


one is left behind or pushed behind in the transition to low-carbon and environmentally sustainable economies and societies, has gathered increased interest and recognition. From its origins in the defence of the interests of workers faced with job losses as a result of the adoption of environmental regulations, it has expanded to include the broader interests of affected communities and other stakeholders, different concepts of justice, and elements of procedural justice such as inclusive and participatory decision-making. A transition that is just enables more ambitious environmental and climate action and can provide impetus to achieving the Sustainable Development Goals (SDGs).

Moving towards a low-carbon and environmentally friendly economy can reprioritise development objectives towards sustainable, equitable development, harness the opportunities associated with the development of products and services, increase the participation of women in labour markets, ensure the protection of ecosystems and biodiversity and build resilience. Greater availability and affordability of renewable energies can be instrumental for new and more equitable models of urban organization and mobility. The concept of a just transition acknowledges that potential as well as

sustainable sources of livelihood for local populations, such as sys-





\_\_\_\_\_ *Report on the twenty-fifth session (20–24 February 2023),  
Economic and Social Council Official Records, 2023, Supplement No. 13*





Once seen as a necessary means of expanding national autonomy, of breaking down international relations of domination, and of elevating standards of living, industrialisation has long disappeared

Thus, it is often taken for granted that the development of the technologies at the heart of global processes of decarbonisation (and less frequently dematerialisation) is a task limited to the industrialised nations.

Therefore, although implicitly, the pursuit of sustainable development is designed to reproduce the current global division of labour, in which advanced economies pursuing industrial diversification in new (green) sectors and providing the means (the

world and in which developing nations greening their economies without substantially transforming their economies and at best providing the raw materials for the green transition (e.g., solar radiation to be converted into hydrogen fuel, lithium for electric car batteries, platinum for the electrolyser-producing hydrogen).

This is made even worse by the almost total disregard for the principle of *common but differentiated responsibilities*. Indeed, the pressure on developing countries to green their economy whatever the developmental costs is tantamount to a green version of the

Thus, we need to recognise the extremely problematic potential situation. Above all, we need to recognise that not only is the current global division of labour responsible for reproducing deep asymmetries between countries but that the current ecological crisis is also going to make this reality even more severe. And in the context of high levels of developing countries' indebtedness, the

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*Towards New Developmentalism,*

*The European Journal of Development Research*

*Ladder – Development Strategy in Historical Perspective*

*Kicking Away the*

need to import green technologies will put additional pressure on these countries to generate more export revenue, which in turn will force them to produce even more fossil fuels and/or destroy more of their forests to expand agricultural exports, thereby worsening the ecological crisis.

Currently, exports by developing countries are to a large or s.vCurrexpor (



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including contract workers who do not have the same protections as permanent and unionised workers.

But worker displacement is only one of the risks for which middle-income countries must plan if they are tied to fossil fuel exports.





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*The European Union (EU)'s carbon border adjustment mechanism (CBAM) is designed to lower greenhouse-gas emissions and encourage cleaner industrial production beyond its borders. But the mechanism can achieve meaningful change only if it is implemented with developing countries' unique challenges in mind.*

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As the European Union (EU) pursues vigorous efforts to achieve its targets under the Paris climate agreement, the bloc's proposed carbon border adjustment mechanism (CBAM) offers the tantalizing promise of cleaner industry and reduced emissions within and beyond its borders. By putting a price on the carbon dioxide emitted during the production of certain imports, the system aims

bon-intensive industries to countries with weaker environmental standards.

A key objective of the CBAM is to generate "own resources" for the bloc: the EU expects that, by full implementation in 2030, the mechanism will raise around €10 billion (\$11 billion) annually, which is earmarked to repay the bloc's pandemic recovery debt. Perhaps more importantly, the CBAM will have global implications. While the mechanism could accelerate the green transition

One of the main concerns is that the CBAM, which officially begins its transitional phase in October 2023 and will initially apply only to cement, iron and steel, aluminium, fertilisers, electricity,

to the EU. This would be especially problematic for African economies, which already face some of the highest trade barriers in the world and often rely heavily on exports to drive growth. David Luke, a London School of Economics professor specializing in

African trade policy, recently warned that the CBAM tax may reduce African exports to the bloc by almost 6 per cent.

More broadly, the tariff may have a disproportionate impact on countries with weaker economies and limited infrastructure. Lacking the capacity to meet the EU's stringent carbon standards would put these countries at a competitive disadvantage and further widen the economic gap with the bloc. An analysis by the Center for Global Development found that Mozambique's GDP, for example, could plausibly fall by 1.6 per cent, given that the country sent more than half of its aluminium exports to the EU in 2019.

There are also concerns that the EU might, at a later point, impose trade sanctions against African States that fail to meet its emissions targets, exacerbating economic precarity and straining an already fragile global trading system. More immediately, managing the CBAM, which requires countries to calculate emissions associated with goods produced domestically, will require technical knowhow and administrative capacity that many governments simply do not possess.

At the same time, it is important to recognise the CBAM's potential to drive positive change in African economies. By encouraging a

development of new industries and technologies that are less reliant on carbon-intensive processes. This, in turn, would create new economic opportunities and support more sustainable growth. The green transition is often touted as a job creator globally, and in Africa, the renewable-energy sector has the potential to create up to four million new jobs by the end of this decade.

Furthermore, African countries that are already making efforts to decarbonise would benefit from the EU's strategy to rein in carbon leakage. A clean-energy revolution will also go a long way toward boosting full electricity access, which, according to the International Energy Agency, could be achieved by 2030 with an

GDP. More than half of the estimated 770 million people currently living without access to electricity are located in Africa.

Ultimately, any implementation of the CBAM must consider the unique challenges African countries face. For starters, the EU currently accounts for about 8 per cent of global greenhouse-gas emissions (and is historically a large emitter), while Africa's contribution is relatively small, around 4 per cent. And yet the latter will bear the brunt of future global warming. Moreover, implementa-

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the EU's carbon standards and exempting certain products or sectors that are of particular importance to the continent's economies.

A carbon border tax is just one tool in the fight against climate change. It may prove to be a powerful force, but only if it includes

Just as addressing global warming requires a collaborative approach, applying the CBAM requires the EU to work closely with governments in Africa to support the continent's climate resil-



ronment, held in Stockholm in 1972, many of the concerns at the intersection between environment and development continue to be relevant as countries are confronted with the depth of the transformations required to transition towards greener, more resilient and climate-neutral economies and societies. It has become increasingly evident that, for this transition to be successful, it

When compared to industrialised economies, in MICs there is a much greater level of informality in labour markets. This means that a far greater proportion of the population, especially groups such as women, minorities and migrants, are highly susceptible to economic crises, policy changes, or a combination of both. In addition, in MICs it is not uncommon for a single formal job to sustain more than one household, so even one formal job displacement may impact a much larger group of people. Add to this the fact that entire countries and even regions are dependent on a single commodity, and the socioeconomic ripple -  
ised countries.

*Younger population:* From a demographic standpoint, while many rich countries already have sizable older-age populations and rapidly declining population growth, many low- and middle-income countries remain relatively young. Looking to the future, population ageing is expected to boom in large MICs, including India

Indonesia and Nigeria, even as it further slows in the already-aged countries of Western Europe. And youth are among those hit especially hard by the unemployment and education disruptions exacerbated on, iDformal jpOe201D812i9 (don,s m(a)10 ns)15 (t entijpO)c (e)5 (a)10

carbon emissions and environmental destruction. In particular, the role of the North in fueling environmental destruction is felt acutely, for instance through the pressure created by global demands for commodities on sensitive biomes like the Amazon forest, or of transnational corporations in the extractive sector causing widespread pollution and contamination in MICs.

*Lower access to capital:* Access to capital, including for the purposes of implementing much-needed infrastructure and industri-

scarce and murky, including for the development, adoption or adaptation of technologies. The gaps are aggravated by the failure of

*Limited institutional capacity*

limited institutional capacity to undertake the kind of multi-sectoral, multistakeholder, integrated approach across levels of government. With the exception of countries that have an established tradition of policy planning and centralised government, decision making, response design and implementation are often far less co-

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With the El Niño phenomenon still developing, the Indian meteorological department declared a 29 per cent chance monsoons this year would be “below normal”. But unseasonal weather (including both rainfall and temperature variations) might have already led to

sonality and unpredictability that is at the heart of the climate crisis. The paths to sustainable development are already challenged by repeated shocks. But they do not account for climate variability.

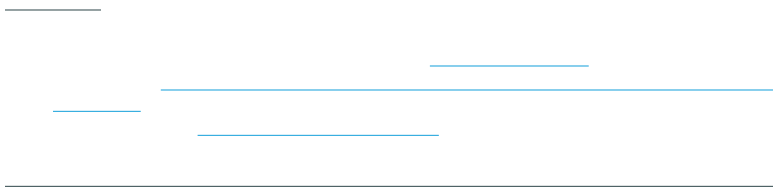
Climate variability manifests itself in several ways. The most visible is extreme weather. There is evidence of the rise in extreme weather events across the world (India is seeing heat waves,

havoc in southern Africa). Analysis by the Council on Energy, Environment and Water (CEEW) finds that three-quarters of Indian districts are already exposed to extreme climate events.

Climate-related disasters impact the economic infrastructure and household assets of lower-middle-income and low-income economies far more. Between 1998 and 2017, these economies lost 1.14 and 1.17 per cent of their GDP, respectively, due to such disasters. The comparative impact for high-income economies was just 0.41 per cent of GDP.

Climate change impacts water as well. As the Global Commission on the Economics of Water recently reported, global warming is adding about 7 per cent of moisture for each 1°C of temperature rise. Land use change is also impacting precipitation patterns and how water gets apportioned between green water (soil mois-

These changes can wreak havoc on agriculture, industry, cities



and built infrastructure, not to mention their impact on food security. In turn, drought-related forest fires and loss of wetlands deplete key stores of carbon.

The response to the climate crisis is not an emissions mitigation challenge alone. It is about putting the vulnerable at the heart of climate response. For this, we must build resilience to catch the fall, recover beyond the status quo, and prioritise nature-based solutions.

It starts with creating a cushion for the vulnerable to fall back on.

But this does not happen because of persistent market failures. There is very limited accounting of uncertainty associated with implementing nature-based and community-led solutions. The market often fails to capture the factors that result in stronger community participation and, therefore, discounts the returns on possible investments. When cost-benefit calculations are restricted to grey infrastructure, GDP grows when a concrete flood embankment is built but not when the mangrove in the same area is preserved.

Currently, less than 5 per cent of climate finance goes towards dealing with climate impacts, and less than 1 per cent goes to coastal protection, infrastructure and disaster risk management.

mate-resilient responses.

Nature-based solutions (NbS) help with climate regulation, water management, biodiversity conservation, soil fertility, and offer

as wetlands, mangroves, and forests, provide valuable services that reduce the risk of disasters. For example, mangroves can act

in flooding damages are averted by mangroves in China, India, Mexico, the United States, and Viet Nam annually. One immediate opportunity is for the Coalition for Disaster Resilient Infrastructure (with 31 member countries) to mainstream NbS in its programmes, particularly via the Initiative for Resilient Island States.

Furthermore, climate-smart and sustainable agriculture practices can reduce greenhouse gas emissions, build soil health, and increase resilience to climate change impacts. Practices like agroforestry and conservation agriculture also have the potential to

building green infrastructure such as green roofs, rain gardens,

temperatures rise. Developing a common assessment framework to evaluate NbS is the need of the hour if more public and private capital is to be directed towards sustainable solutions.

Community-led natural resource management gives local communities agency in decision-making whilst tailoring the



interventions to their needs. In the Ambojwadi settlement in Mumbai, youth groups have marked the areas prone to flooding

teams for disasters. In the Himalayan state of Uttarakhand, a rural women's collective in Almora district now works closely with the state forest department officials to fight the increasing amount

not just of climate vulnerability.

anecdotal or episodic, such communities across the world deserve support that is both environmentally friendly and sustainable over the long term.









energy infrastructure is needed. The pact endorses a target to triple renewable energy capacity and notes the voluntary action plan to double the rate of improvement in energy efficiency by 2030. It announces a Global Biofuels Alliance. It seeks transparent and resilient global markets for hydrogen. And it calls for di-







communities are therefore likely to be politically fragile and vulnerable to stalemates and reversals. In this context, calls for a just transition have been increasingly prominent in global, national and subnational policy circles.

The concept of just transition is not new (see Box 1) but it gained traction internationally particularly since 2015, when it was referred to in the Paris Agreement, the ILO published its Guidelines for a just transition towards environmentally sustainable economies and societies for all, and the 2030 Agenda for Sustainable Development was adopted, with the pledge of “leaving no one behind”. Numerous international commitments have been made and strategies have been, or are in the process of being, developed. In 2021, just transition was a central theme at COP26. In 2022, ahead of COP27, the concept is addressed in the priorities of the United Nations Secretary-General, in the IPCC report on Mitigation of Climate Change, and in the Ministerial Declaration of the 2022 High-Level Political Forum. A number of countries have references to and commitments for just transitions in their Nationally Determined Contributions (NDCs).

Box 1



in South Africa (see Table 1 for examples). At the regional level, the EU's Just Transition Mechanism includes funding and technical support to EU member states to "ensure that the transition towards a climate-neutral economy happens in a fair way". There have also been corporate just transition strategies, though a review of action in the oil and gas, electricity and automotive manufacturing industries concluded that action has been limited so far (World Benchmarking Alliance, 2021).

Consistent with the original concept, the main focus of many just transition policies has been to support workers and communities affected by the phasing out of polluting activities (frequently but not exclusively coal mining and coal-based energy plants) through temporary financial support and early retirement, employment services, training, business incentives, and support to small and medium enterprises (SMEs) (Krawchenko and Gordon, 2022). Securing diversification of economic activity in affected areas is an important component of strategies towards a just transition. It is also among the m-0o8emenggsi, and sng Iaf ed8e0oR(ut)10 (omo24

plants, for example, have generated conflict and in some cases proven ultimately unfeasible.

element of a just transition, both as a matter of procedural justice (fairness in decision-making) and as a means to identify the impacts that need to be addressed and feasible solutions. Reviews of experiences so far (Krawchenko and Gordon, 2021; Atteridge et al., 2022; WRI) highlight positive experiences but also shortcomings such as consultation processes that begin late in the game, are just pro forma, do not take into account local realities in terms of literacy, digital access and other elements, or face challenging political contexts.

There is no blueprint for a just transition, but the growing body of experience can provide important references for the development of context-appropriate processes, strategies and solutions.

While securing just transitions is a challenge for countries at all stages of development, developing countries face distinctive dif-

for a just transition in middle-income countries (MICs). Relative to high-income countries, MICs face high poverty rates; informality; young populations and high dependency ratios; reliance on single commodities; distinct ecological and climate challenges; limited access to capital; and limited institutional capacity, among others. These characteristics apply in even greater measure to low-income

sources compared to pressing social demands (including the need to expand access to electricity—see —and invest in adaptation and climate resilience) while having marginal contributions to global emissions ( ). Many developing countries also

and their ability to diversify economic activity. Several, including a number of least developed countries (LDCs), rely on fossil fuels

The concept of just transition cannot be dissociated from global

support for developing countries' transition paths (including just transition strategies) in ways that take their realities in terms of capacities and needs into account (see Walsh et al., 2022 for one



perspective on what this could mean for Africa). It also requires that countries consider and address the impacts of their own greening strategies on other countries, avoiding the creation of trade barriers and the exclusion of developing countries from opportunities in nascent value chains (CDP, 2022).

Table 1

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*state of Colorado (United States)*

*continued*

*Barbuda*

*Antigua and*

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*Liberia*

*Mauritania*

*Greece's*

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*Italy's*

*Scottish and Southern Energy (SSE)*

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*EU's*

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*South Africa's*

*Costa Rica*

*state of Colorado in the United States*

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*ILO:*

*Global Accelerator*

*OECD:*

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