Just transition

challenges of the fight against environmental crimes such as illegal deforestation, illegal logging and mining in forested areas, and the creation of sustainable sources of livelihood for local populations, such as systems for the payment of environmental or ecosystem services.

Countries need to develop approaches to a just transition that are commensurate with the demands, priorities and realities of their societies and their historical responsibility. Developing countries face incomparably more challenging circumstances: greater fiscal constraints and more limited access to financing; underfunded social security systems; higher poverty rates; greater food insecurity; substantial gaps in the provision of basic services and infrastructure, including energy; high rates of unemployment and underemployment and high degrees of informality; limited scientific and technological capacities; greater vulnerability to external shocks, including climate change; and often greater economic dependence on fossil fuels. For a least developed country with significant gaps in energy access and a negligible contribution to greenhouse gas emissions, the objectives of ensuring access to affordable, reliable and modern energy services for all and enabling energy consumption commensurate with development needs cannot be secondary to the objective of moving away from fossil fuels as energy sources.

Just transition in the global context

The concept of just transition was born out of concerns for justice at the local and national levels, but it cannot be separated from the broader issues of global climate justice and common but differentiated responsibilities or from the realities of global inequalities in consumption and emissions patterns and productive and financial capacities.

The global transition to low-carbon economies can be used strategically as an opportunity to reduce dependency on fossil fuel- and pollution-intensive exports, make production processes more efficient and advance structural transformation, avoiding the inequality-perpetuating traps of commodity dependence. However, developing countries face many of the challenges of the past in terms of constraints in productive capacities, financial resources and policy space, aggravated by increasingly integrated and interdependent global markets and a rapidly shrinking carbon space. Greater financial and institutional capacity as well as multilateral rules allow developed countries to provide subsidies for the development of new products, technologies and infrastructure that are out of reach for developing countries trying to implement their structural transformation strategies, thereby widening technology and development gaps.

Furthermore, there is a risk that, in the transition towards low-carbon economies, policy measures may be designed in ways that push companies from developing countries, particularly small and medium-sized enterprises, behind. Increasingly complex standards, including private standards, and reporting requirements can constitute barriers to trade, excluding developing countries from effective participation in emerging value chains, jeopardizing their traditional exports and further widening the technological divide.

At the same time, developing countries have critical assets for the development of technologies, products and markets of global relevance in climate action. It will be necessary to form new systems of technology co-development that acknowledge the contribu