

A Q3-Q4 2022 assessment of Just Transition elements in the Inevitable Policy Response

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The Just Transition has rapidly moved up the global climate policy agenda, making headlines at COP27

- Just Transition has become a critical concept in international policy-debates. At COP27 in November 2022, governments agreed to establish a new work programme on the just transition, emphasizing that just solutions to the climate crisis must be founded on “meaningful and effective **social dialogue and participation** of all stakeholders”.
- The Sharm el-Sheikh Implementation Plan also stressed the “important role of instruments related to social solidarity and protection in **mitigating the impacts** of applied measures”.
- The Egyptian Presidency called for a just approach to finance. Finance is key to implementing the just transition in practice. At COP27, the ILO and LSE’s Grantham Research Institute released a [Just Transition Finance Tool](#) to show how banks and investors can make the social dimension core to their climate efforts.

The Just Transition is a key element in the Inevitable Policy Response

- The Grantham Research Institute at the London School of Economics has been working with the UN PRI commissioned Inevitable Policy Response (IPR) on the climate transition since 2019.
- In April 2022, we published a report analysing policy and market action around COP26 and observed the growing incorporation of Just Transition in climate policies by governments, businesses and financial institutions. The approach these actors take to incorporate Just Transition into their policies may impact how IPR forecasts play out.
- Throughout 2022, we reviewed policies identified in the IPR Quarterly Forecast Tracker, assessing the extent to which they integrate the Just Transition.
- In this analysis, we focus on policy developments between July and December 2022 (Q3 and Q4), building on earlier assessments.

National-level Just Transition implementation is accelerating

- In our Q1-Q2 review, we found that at the national level, policy consciousness of the Just Transition was spreading rapidly, but implementation was still in its infancy.
- We reviewed 36 key policy developments in this Q3-Q4 analysis. Our findings show that Just Transition elements are stronger than previously. For example, in the US, the EPA's rule-making process now includes strengthened requirements to consider environmental justice. In the EU, new policies are connected to the broader Green New Deal and paired with social protection measures.
- However, many policies tracked are still high level (e.g. Just Transition partnerships). We would expect clearer Just Transition elements to emerge as we get further into the implementation phase of the transition. For example, we have seen promising follow-through actions in the South Africa Just Energy Transition Investment Plan. Partnerships in Indonesia and Vietnam are likely to follow similar pathways
- Policies concerning methane emissions are on the rise. In this review, we found that Just Transition elements and framing are relatively absent in these policies. Although distributional impacts associated with methane policies may not be as stark as in other contexts, this may nonetheless be an area to watch in coming months.


Regional variation in Just Transition progress

- There continues to be significant regional variation in the incorporation of Just Transition considerations.
 - The strongest Just Transition elements continue to be observed in policies reviewed in Europe and South Africa.
 - Policies in Indonesia, Vietnam and Mexico also had strong Just Transition framings. Whilst this is a positive signal, all policies were high-level documents issued in international settings (NDCs and political statements), and we would expect further details in implementation actions.
 - High-level commitments to Just Transition continue in Australia, North America and Canada, although some remain relatively weak.
- The strength of each policy can be considered in the context of national circumstances.
 - In Europe and North America, Just Transition is becoming integrated into climate policy-making. For example, impact assessments considering social and environmental justice elements are increasingly common.
 - Whilst our analysis suggests weaker Just Transition framings in China (compared to in Western liberal democracies), this must be understood in the context of China's overall policy structures. Notably, there were some Just Transition signals in that policies often contained industry and research/academia stakeholder engagement provisions.
- In some contexts, Just Transition framings mainly focused on inter-state climate justice, where countries stressed the right to an equitable and fair share of the global carbon budget (e.g. India).

Implications for achieving the IPR 1.8°C FPS

- Efforts to understand, recognise and implement Just Transition elements in policies continue to move in the right direction among policy-makers in many key regions.
- Although engagement is, on average, weak to moderate, the Just Transition has gained traction through 2022. We are cautiously optimistic that it will continue to become stronger over time and more Just Transition considerations will filter through policy-making processes.
- This is likely to contribute to ensuring the lasting implementation of recent policy announcements, confirming the credibility of progress towards achieving the IPR 1.8°C FPS.
- However, achieving a no overshoot **1.5 ° C RPS pathway** will require a further step up. It requires stronger dialogue and ongoing engagement from stakeholders across regions and sectors. Moving beyond Just Transition framing, policies will need to incorporate clearer actions towards implementing Just Transition elements in regions particularly vulnerable to the transition.

LSE Just Transition Assessment Framework

- 1 Apply Just Transition lens on IPR Policy Levers to determine relevancy to FPS and RPS forecasts and select policies
 - 2 Assess whether policies are sufficiently close to implementation level for meaningful analysis
 - 3 Analyse key Just Transition elements:
 - Just Transition framing
 - Impact on vulnerable groups
 - Participatory processes and actor engagement
 - Forms of justice: distributive, procedural, restorative
 - Policy areas and sectors
 - Policy instruments
 - Implementation level
 - Duration
 - 4 Assess presence and strength of Just Transition elements
 - 5 Assess placement on the Just Transition Policy spectrum
-  Policy by policy assessment is only part of the story. This assessment should be read alongside an assessment of existing labour laws, social protections, and participatory governance in the implementing country or countries

Understanding the Just Transition: The Spectrum of JT Policies

Analyse key Just Transition elements –
Strong / Moderate / Weak:

- Just Transition framing
- Impact on vulnerable groups
- Participatory processes and actor engagement
- Forms of justice: distributive, procedural, restorative
- Policy areas and sectors
- Policy instruments
- Implementation level
- Duration



| Just Transition Element ⁽¹⁾ | Conception of Just Transition | |
|--|---|---|
| | Managerial | Transformative |
| Type of Justice | <ul style="list-style-type: none"> • Procedural justice: managerial policies may focus on consultation with affected groups and other forms of participatory decision-making • Distributive justice: policies may focus on ensuring that certain groups are protected from costs of a transition, typically via the provision of compensation in cash or in-kind (e.g. training and skills) | <ul style="list-style-type: none"> • Restorative Justice: policies may go beyond the idea of dealing with the distributional impacts of a specific policy and consider the need to address historic injustices • Recognition Justice: policies may contain specific reference to the needs and challenges faced by marginalized or vulnerable communities • Environment Justice: policies may incorporate other elements of environmental and social justice |
| Scope | <ul style="list-style-type: none"> • Likely to focus on a limited set of stakeholders or beneficiaries, such as workers in a given sector. | <ul style="list-style-type: none"> • The policy takes a more expansive view of actors involved in the transition. These actors are considered agents, often involved in co-design, as well as stakeholders and beneficiaries. |
| Space/Location | <ul style="list-style-type: none"> • The policy is narrowly targeted at an industry in transition in one or more specified areas (e.g. coal regions; forests; agricultural areas) | <ul style="list-style-type: none"> • The policy anticipates the impacts of the transition on the whole of society |
| Timeframe | <ul style="list-style-type: none"> • Policies are reactive, seeking to respond to events or anticipated impacts associated with specific elements of a planned transition • Policies may be focused on the short and medium term | <ul style="list-style-type: none"> • Policies are proactive, focused on creating societal frameworks to enable long term change • Policies may be focused on long-term (2050 or beyond) transition |



It is important to note that defining a policy as managerial or transformative does not imply a value judgment regarding the policy. Every country is likely to require both types of policy to ensure the implementation of a Just Transition

⁽¹⁾ Adapted from the Just Transition framework developed by Heffron & McCauley (2018)



Outcomes of assessment of JT elements in 36 key policy developments

The table shows the number of policies assessed as containing strong, moderate or weak just transition elements, or as being high risk the Just Transition per geography.

| Country | No. policies assessed as high risk for Just Transition | No. Policies with weak Just Transition Elements | No. Policies with moderate Just Transition Elements | No. Policies with strong Just Transition Elements | Total No. Policies Assessed by Country |
|--------------|--|---|---|---|--|
| Australia | | 1 | | 1 | 2 |
| Canada | | 2 | | | 2 |
| China | | 3 | | | 3 |
| EU | 1 (potential for negative outcomes) | 2 | 2 | 4 | 9 |
| France | | 1 | | | 1 |
| Germany | | 1 | 1 | | 2 |
| India | | 1 | 1 | | 2 |
| Indonesia | | | | 2 | 2 |
| Mexico | | | | 1 | 1 |
| Nigeria | | 1 | | | 1 |
| South Africa | | | | 1 | 1 |
| US | | 1 | 6 | 1 | 8 |
| Vietnam | | 1 | | 1 | 2 |
| Total | 1 | 14 | 10 | 11 | 36 |





Australia: National Climate Bill and Queensland coal phase out

| Sector | Policy development | Commentary | Assessment |
|--|--|---|---|
| <p>Coal phase out</p>  | <ul style="list-style-type: none"> Queensland in Australia announced that it will convert its coal-fired power plants to renewable hubs by 2035 under a AUD\$62bn (\$40bn) clean energy plan The plan sets out targets of 70% of electricity from renewables by 2032 and 80% by 2035 | <ul style="list-style-type: none"> Although this policy does not use the term “just transition”, it has a clear emphasis on the creation of green jobs and the fair distribution of the benefits of electrification Among innovative elements are a job security guarantee, “Energy Workers Charter”, and the creation of a new government champion for renewable energy jobs. Much of the plan is made possible by public ownership of key resources | <p>Strong JT Elements</p> <ul style="list-style-type: none"> <i>Includes both distributive and procedural forms of justice</i> <i>Presents a strong transformative approach to the Just Transition</i> |
| <p>Net zero targets</p>  | <ul style="list-style-type: none"> The Australian federal parliament has passed a bill enshrining its net zero by 2050 target in law, and committing to a target of 43% emissions reductions by 2030 | <ul style="list-style-type: none"> Explicit just transition framing is notably absent from Australia’s new Climate Change Act, nonetheless there is some weak engagement with both procedural and distributive aspects of the just transition Official documentation notes engagement with aboriginal communities and traditional owners in the development of the Bill. This legislation is very high level For more detail see: Q3 assessment | <p>Weak JT elements</p> <ul style="list-style-type: none"> <i>Procedural justice emphasised, with some attention to distributive justice</i> <i>Primarily managerial approach</i> |




Canada: (1) Cap on oil and gas emissions; (2) Clean Fuel Standard



| Sector | Policy development | Commentary | Assessment |
|--|--|---|--|
| <p>Carbon pricing</p>  | <ul style="list-style-type: none"> • Canada proposes to introduce a cap on emissions from the oil and gas sector, either through a national cap-and-trade system or modifying the pollution pricing benchmark requirements to create price-driven limits on emissions • The government expects to finalise the guidance by early 2023 | <ul style="list-style-type: none"> • The proposal acknowledges that the oil and gas sector is an important employer in Ontario and Quebec • The proposal underwent public consultation and a separate “engagement period” for proponents of oil and gas projects • There is also reference to Indigenous participation in planning and policy development, as well as ownership and benefit sharing agreements | <p>Weak JT elements</p> <ul style="list-style-type: none"> • <i>Likely managerial approach to just transition</i> • <i>Further just transition elements may emerge once the guidance is finalised in 2023</i> |
| <p>Transport</p>  | <ul style="list-style-type: none"> • The mandatory carbon intensity reduction requirements for gasoline and diesel will take effect on 1 July 2023 • The Clean Fuel Regulations require liquid fossil fuel suppliers to gradually reduce the carbon intensity from the fuels they produce and sell for use in Canada over time, leading to a decrease of approximately 15% (below 2016 levels) in the carbon intensity of gasoline and diesel used in Canada by 2030 | <ul style="list-style-type: none"> • It is promising that the Regulations reference Indigenous-led clean fuel projects. The government portal has a dedicated website for Indigenous communities to apply for domestic production capacity projects • The Regulations show acknowledgement of disproportionate impacts on certain groups, however within the policy, instruments to address these remain weak | <p>Weak JT elements</p> <ul style="list-style-type: none"> • <i>Some distributive and procedural considerations</i> • <i>Managerial approach to just transition</i> |

China: (1) Building materials sector plan; (2) Raw materials industry plan; (3) Urban and Rural Construction





| Sector | Policy development | Commentary | Assessment |
|--|---|--|--|
| Buildings  | <ul style="list-style-type: none"> China released an implementation plan for its building materials sector, with a focus on cement production. The plan aims to reach peaking of emissions by 2030, in line with the broader national commitment | <ul style="list-style-type: none"> The plan includes the establishment of an expert advisory committee, which includes research institute representatives and industry associations There are general provisions relating to strengthening coordination between government departments and industry associations | <p>Weak JT Elements</p> <ul style="list-style-type: none"> Save for stakeholder engagement processes, there is little mention of JT elements or workers Managerial approach |
| Clean Industry  | <ul style="list-style-type: none"> China published an implementation plan for the raw materials industry, which, amongst other objectives, proposes the development of green low-carbon products | <ul style="list-style-type: none"> Similar to the above policy, this plan includes the establishment of a task force of government, industry, research institutes and industry associations Instruments mainly focus on R&D and investment, with mentions of training No JT framing | <p>Weak JT elements</p> <ul style="list-style-type: none"> Mainly procedural elements Managerial approach |
| Clean Power  | <ul style="list-style-type: none"> China's housing department and the National Development and Reform Commission have announced a plan for new-build public buildings and factories in towns and cities to be covered 50% by solar panels by 2025 This complements an existing scheme by the National Energy Bureau which allows local authorities to partner with solar developers to meet rooftop solar targets | <ul style="list-style-type: none"> No JT framing The plan focuses on small-medium households and rural households The plan also encourages collaboration between industry, universities and research institutes Emphasises the need to speed up technological innovation and digitalisation | <ul style="list-style-type: none"> Weak JT elements Managerial approach |

EU: (1) Fit-for-55: Further progress for increased ambition





Under the Fit-for-55 package the EU creates new binding targets for transport, buildings and land use

| Sector | Policy development | Commentary | Assessment |
|---|---|--|---|
| Transport  | <ul style="list-style-type: none"> The EU Parliament and the Council agreed the details of a phase out of all CO2 emissions from cars and vans by 2035 | <ul style="list-style-type: none"> The provisional agreement for this policy explicitly frames the policy as part of the EU's broader Green New Deal, using just transition framing. The proposal relates to a number of provisions on funding intended to mitigate social impacts, as well as creating processes to monitor progress, including potential negative impact on workers and consumers, and enhance social dialogues | <p>Strong JT elements</p> <ul style="list-style-type: none"> <i>Presents a primarily managerial approach</i> <i>Distributional justice considerations included</i> |
| Net zero targets  | <ul style="list-style-type: none"> The EU co-legislators have agreed to an increase in ambition in the Effort Sharing Regulation, which requires member states to reduce GHG emissions from non-ETS and land use sectors by 40%, compared to 2005 levels by 2030 | <ul style="list-style-type: none"> The effort sharing regulation itself contains only weak just transition elements, but is closely connected to other measures with much stronger just transition concerns As with other EU legislation, this regulation shows considerable concern for addressing distributional impacts between member states | <p>Weak JT elements</p> <ul style="list-style-type: none"> <i>Managerial approach</i> <i>Distributional justice considerations included</i> |




EU: (1 cont.) Fit-for-55: Further progress for increased ambition

| Sector | Policy development | Commentary | Assessment |
|---|--|--|--|
| Buildings  | <ul style="list-style-type: none">The European Council agrees that all new buildings should be zero-emission buildings by 2030, and that existing buildings should be transformed into zero-emission buildings by 2050.In order to show leadership, new public buildings must be zero-emissions by 2028 | <ul style="list-style-type: none">Recognising the impact of the Directive on vulnerable households and those threatened by energy poverty, the Council approved version of the directive requires member states to consult these stakeholders during the development of national implementation plans. Provision is also made for upskilling the work force. Building renovations must also increase accessibility for persons with disabilities | Strong JT elements <ul style="list-style-type: none"><i>Primarily Managerial approach</i><i>Contains distributional and procedural justice</i> |
| Land use and forestry  | <ul style="list-style-type: none">The European Council and Parliament reached provisional agreement on increasing the target for total GHG removals from EU carbon sinks to 310 million tonne CO₂ E by 2030. Current rules will remain in place until 2025 | <ul style="list-style-type: none">Looked at in isolation this policy contains only weak just transition elements but it should be read in the context of the broader EU reform package | Weak JT elements <ul style="list-style-type: none"><i>Primarily Managerial approach</i><i>Limited focus is on distributional impacts</i> |





EU: (2) Extension of the EU ETS

Progress in negotiations on updates to the EU ETS and introduction of the Climate Social Fund

| Sector | Policy development | Commentary | Assessment |
|--|---|--|---|
| Carbon Pricing  | <ul style="list-style-type: none">In December, EU co-legislators reached a provisional agreement on plans to extend the Emissions Trading Scheme and enhance its ambitionThe proposals aim to: (i) include emissions from maritime transport; (ii) phase out free allocation of allowances to aviation;(iii) create a new separate ETS for buildings and road transportThe proposals are accompanied by the creation of a Social Climate Fund to support low-income groups | <ul style="list-style-type: none">The extension of the ETS to buildings and transport has been carefully assessed to understand distributional impacts on households and communities given its regressive natureThe creation of the Social Climate Fund and the requirement for member states to create Social Climate Plans to receive funding provides a model for correcting regressive impactsWhile this constitutes significant progress, there has been criticism that funding available through the Social Climate Fund may be insufficient | <p>Strong JT elements</p> <ul style="list-style-type: none"><i>Contains both procedural and distributive elements</i><i>Managerial approach</i> |




EU: (3) Energy efficiency and taxation

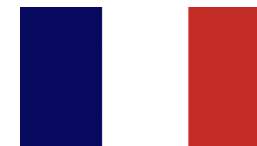
| Sector | Policy development | Commentary | Assessment |
|---|---|--|---|
| Clean Power  | <ul style="list-style-type: none">Council proposal for regulations imposing mandatory energy efficiency measures on all member states | <ul style="list-style-type: none">Impact assessment and public consultation procedures were suspended for the introduction of both proposals, given the time sensitive nature of the issues | Potential negative JT <ul style="list-style-type: none"><i>Contains distributive elements</i><i>Managerial approach</i> |
| Clean Power  | <ul style="list-style-type: none">In October, a Council Regulation introduced an emergency intervention to address high energy prices through a cap on energy company market revenues, with surplus revenues to be redirected by member states to protect consumers. This includes a “solidarity tax” on fossil fuels producers | <ul style="list-style-type: none">As above, no impact assessmentHowever both policies were introduced to respond to the energy crisis created by Russia's invasion of Ukraine, as such they address a different imperative to other policies, which may mitigate the risks to the just transition that would otherwise be presented by the absence of procedural justice safeguards | Moderate JT elements <ul style="list-style-type: none"><i>Contains distributive elements</i><i>Managerial approach</i> |




EU: (4) Ending deforestation in supply chains

| Sector | Policy development | Commentary | Assessment |
|---|---|---|---|
| Land use and forestry  | <ul style="list-style-type: none">In a measure to complement the primary Fit-for-55 proposals, EU co-legislators reached provisional agreement on a new law to end deforestation in EU supply chains through imposing new due diligence rules | <ul style="list-style-type: none">Although it does not use the phrase just transition, the directive provides significant recognition for human rights and environmental defendersIt also creates processes to allow civil society to raise concerns about failures of companies to comply with due diligence requirements | Strong JT elements <ul style="list-style-type: none"><i>Transformative conception of just transition</i><i>Emphasis is on procedural justice, with elements of recognitional justice included</i> |

France: Energy consumption in buildings



| Sector | Policy development | Commentary | Assessment |
|---|--|---|---|
| Buildings  | <ul style="list-style-type: none">• France has released a plan which aims to reduce energy consumption by 10% by 2024, following a binding target of 5% reduction in electricity consumption during peak hours set out by the EU Commission• The plan includes 15 key measures which include reducing heating to a maximum of 19C (66F) in offices and encouraging car-pools• The provisions in the plan are not binding | <ul style="list-style-type: none">• This plan contains limited just transition considerations, although there is some effort at public engagement and support may be provided for vulnerable households• However, as the plan is not binding its impacts will only affect citizens and households that choose to participate | Weak JT elements <ul style="list-style-type: none">• <i>Primarily concerned with distributional justice</i>• <i>Takes a managerial approach</i> |



Germany: (1) Electric charging infrastructure measures; (2) Renewable Energy Sources Act (EEG 2023)



| Sector | Policy development | Commentary | Assessment |
|------------------------|---|---|---|
| Transport | <ul style="list-style-type: none"> Germany adopts 68 measures for faster deployment of electric charging infrastructure Key action areas include integrating charging infrastructure into the power grid; improving digitalisation; empowering local authorities; and initiating infrastructure for electric heavy goods vehicles The government is investing 6.3bn euros in electric vehicle charging stations over three years | <ul style="list-style-type: none"> Around 80 stakeholders (including federal states, local authorities, associations and businesses) contributed to developing the measures Includes an assessment of impact on vulnerable groups, with reference to financial support to densely populated neighbourhoods | <p>Weak JT elements</p> <ul style="list-style-type: none"> Contains some distributive elements <ul style="list-style-type: none"> Managerial approach |
| Clean Power | <ul style="list-style-type: none"> Germany amends the Renewable Energy Sources Act, aiming to ensure that renewable energy accounts for at least 80% of gross electricity consumption by 2030 It includes measures to protect household customers from scheduled terminations of energy supply | <ul style="list-style-type: none"> The underlying principle of this package is that renewable energy is in the overriding public interest and in the interest of public security. This framing is intended to filter through to future decision-making processes and planning Under the auction processes, one criteria for bidders is the training rate for securing skilled workers Incentives for citizens' energy cooperatives; wind and solar projects run by these cooperatives will be exempt from tendering duties | <p>Moderate JT elements</p> <ul style="list-style-type: none"> Includes both procedural and distributive elements Contains both managerial and transformative elements |



India: (1) Long-Term Low-Carbon Development Strategy; (2) Energy Conservation Act amendments



| Sector | Policy development | Commentary | Assessment |
|--|--|---|--|
| <p>Multiple areas</p>  | <ul style="list-style-type: none"> India publishes its plan for long-term low-carbon development, setting out how it intends to meet its earlier pledge to reach net zero emissions by 2070 The strategy sets out India's plan to cut emissions and increase resilience across electricity systems, transport, cities, agriculture and forestry | <ul style="list-style-type: none"> Express JT framing – “just, smooth, sustainable, and all-inclusive manner”, consultations and stakeholder participation Acknowledges the need to provide skill development of the workforce on new energy efficiency, sustainable mobility and green hydrogen technologies Funds will be collected from infrastructure developers as compensation for converted forest land Assessment of vulnerable workers, tribal communities and low-middle income groups It is emphasised in the policy that India's approach rests on a key climate justice consideration, i.e. that it has contributed little to global warming and has a right to an equitable and fair share of the global carbon budget | <p>Moderate JT elements</p> <ul style="list-style-type: none"> Contains both transformative and managerial approaches Includes distributive and procedural elements |
| <p>Multiple areas</p>  | <ul style="list-style-type: none"> Parliament passes the Energy Conservation (Amendment) Bill 2022. Key changes include empowering the central government to specify a carbon credit trading scheme, requirements for designated consumers to meet a proportion of energy needs from non-fossil sources, extending the Energy Conservation Code for office and residential buildings and new consumption standards for vehicles | <ul style="list-style-type: none"> Increased social dialogue - the Bill amended the composition of the Bureau of Energy Efficiency, providing for up to seven members representing industries and consumers No express JT framing or assessment of impact on vulnerable groups | <p>Weak JT elements</p> <ul style="list-style-type: none"> Procedural elements Mainly managerial approach |


Indonesia: (1) Just Energy Transition Partnership; (2) Updated NDC



| Sector | Policy development | Commentary | Assessment |
|--|---|--|---|
| <p>Coal phase out</p>  | <ul style="list-style-type: none"> Joint statement by the Government of the Republic of Indonesia and International Partners Group members on the Indonesia Just Energy Transition Plan A coalition of countries led by the United States and Japan have pledged to mobilise \$20bn to help Indonesia close its coal-fired power plants | <ul style="list-style-type: none"> This partnership is modelled after the South Africa Just Energy Transition Partnership and the joint statement recognises the need to support an "orderly, just and affordable" transition Includes a proposal to set up coordination platforms with development finance institutions and key stakeholders to solicit inputs Stresses the need to consider all communities and societal groups affected by an expedited retirement of coal plants, including women and youth | <p>Strong JT elements</p> <ul style="list-style-type: none"> <i>However, at this stage, the partnership is a political commitment and JT elements may evolve as the investment plan and implementation details are released</i> <i>Both transformative and managerial approach</i> |
| <p>Net zero targets</p>  | <ul style="list-style-type: none"> Indonesia submits its updated nationally determined contribution under the Paris Agreement, which increases its 2030 greenhouse gas emission reduction target from 29% to 31.89% by 2030, in comparison to a BAU scenario | <ul style="list-style-type: none"> Prior to submission, the NDC underwent multi-sectoral consultations Express JT framing, emphasizing need to address the workforce References a programme to build ownership and commitment among ministers, private sector and civil societies, as well as enhancing participatory public dialogue to foster high employment rates | <p>Strong JT elements</p> <ul style="list-style-type: none"> <i>Transformative approach, high-level agenda setting, given NDC format</i> |


Mexico: Updated NDC



| Sector | Policy development | Commentary | Assessment |
|--|---|---|--|
| <p data-bbox="191 392 412 425">Multiple areas</p>  | <ul data-bbox="496 392 1065 564" style="list-style-type: none"> On 12th Nov Mexico submitted a new Nationally Determined Contribution to the UNFCCC setting more ambitious GHG reduction targets for 2030. Currently no net zero target has been set | <ul data-bbox="1095 392 1763 706" style="list-style-type: none"> Despite being a fairly high level policy, Mexico's updated NDC displays considerable engagement with Just Transition issues, adopting a "no one-left out, no-one left behind model" for the transition to a low carbon economy The policy contains several recognitional justice elements, with an emphasis on the incorporation of traditional and indigenous knowledge and with a focus on support for rural communities | <p data-bbox="1918 392 2155 421">Strong JT elements</p> <ul data-bbox="1854 464 2257 678" style="list-style-type: none"> - <i>Incorporates procedural, distributional and recognitional justice</i> - <i>Displays a transformative approach</i> |


Nigeria: Energy Transition Plan

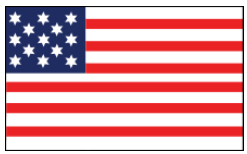


| Sector | Policy development | Commentary | Assessment |
|---|--|---|---|
| <p data-bbox="188 375 412 408">Multiple areas</p>  | <ul data-bbox="496 375 1057 596" style="list-style-type: none">The Energy Transition Plan sets out a timeline and framework to achieve emissions reductions across five key sectors: power, cooking, oil and gas, transport and industry. The plan aims to achieve carbon neutrality by 2060 | <ul data-bbox="1095 375 1753 989" style="list-style-type: none">A key objective is to “promote a fair, inclusive and equitable” energy transition in Africa and to manage the expected long-term job loss in the oil sectorHowever, the Plan intends to use gas as a “transitional fuel” and in the interim, may pose risks to the climateDetails of the Plan remain high-level. We expect more clarity on the incorporation of just transition elements at the implementation stageTo improve alignment to the just transition, meaningful social dialogue, engagement and participation of workers and rural communities is recommendedFor more detail see: Q3 assessment | <p data-bbox="1905 375 2168 408">Weak JT elements</p> <ul data-bbox="1796 458 2275 644" style="list-style-type: none"><i>Distributive justice emphasised, with a focus on delivering universal energy access</i><i>Both broad and managerial approach adopted</i> |

South Africa: Just Energy Transition Investment Plan




| Sector | Policy development | Commentary | Assessment |
|--|--|--|--|
| <p>Multiple areas</p>  | <ul style="list-style-type: none"> The South African government publishes its \$83bn Just Energy Transition Investment Plan, which sets out a five year plan for the Just Energy Transition Partnership announced at COP26 The investment plan is aligned with the Cabinet-approved National Just Transition Framework (which reviewed in Q1-2) There are three priority investment sectors: electricity, new energy vehicles and green hydrogen, as well as two cross-cutting areas: skills development and municipalities | <ul style="list-style-type: none"> The plan takes a whole-society, cross-sectoral approach to the transition. To facilitate implementation, the plan references establishing community-level governance and trade union structures for ongoing needs identification, visibility of projects progress, monitoring, and learning There are detailed provisions on employment effects of coal plant closures. For example, in coal-dependent Mpumalanga, out of the required ZAR 60.4 billion, the investment plan identifies 5.6 to manage the coal workforce through reskilling, retraining and temporary income support; as well as 0.75 to invest in youth and work experience opportunities The investment plan also contains proactive policies, including piloting social ownership models for electricity generation, and building capacity in communities to participate effectively Budget has also been allocated for supporting investments in early adoption and innovation projects for new energy vehicles, acknowledging that this involves sharing of intellectual property between the International Partners Group, South African institutions, innovators and entrepreneurs | <p>Strong JT Elements</p> <ul style="list-style-type: none"> <i>Contains both procedural and distributive elements</i> <i>Includes proactive policies</i> <ul style="list-style-type: none"> <i>Both transformative and managerial approach</i> |



United States: (1) Inflation Reduction Act



Major new climate legislation accelerates transition

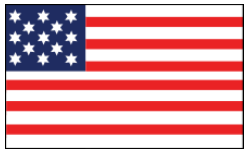
| Sector | Policy development | Commentary | Assessment |
|---|---|---|---|
| <p data-bbox="191 454 412 486">Multiple areas</p>  | <ul data-bbox="504 454 1072 811" style="list-style-type: none">• The Inflation Reduction Act constitutes the first major climate-focused legislation to be passed in the US in decades. It includes a \$370 billion climate and energy package, primarily operating through tax credits, grants, loans, and infrastructure and procurement programmes. Much of the spending programme is funded through progressive taxation measures | <ul data-bbox="1108 454 1806 968" style="list-style-type: none">• Throughout the Act, and in the communication around it, there is significant emphasis on environmental justice and support for disadvantaged communities and addressing legacy pollution• The Act contains several provisions that align with the frequent focus placed on the need to ensure that workers in the fossil fuel industry are not "left behind" in the energy transition• Environmental Justice Advocates have raised concerns that certain provisions of the Inflation Reduction Act may pose risks to the climate and to vulnerable communities.• For more detail see: Q3 assessment | <p data-bbox="1982 454 2201 479">Strong JT elements</p> <ul data-bbox="1844 522 2346 739" style="list-style-type: none">• <i>Displays multiple conceptions of the Just Transition, taking into account procedural, distributive and restorative justice</i>• <i>Both broad and managerial approach adopted</i> <p data-bbox="1849 796 2333 929">HOWEVER oil and gas leasing provisions remain a major source of concern and may pose a risk to the Just Transition</p> |

United States: (2) Incorporating the Kigali amendment; (3) Regulation of Methane




New EPA rule-making includes environmental justice assessments

| Sector | Policy development | Commentary | Assessment |
|--|--|---|--|
| Clean Industry  | <ul style="list-style-type: none"> In September, the US Senate ratified the 2016 Kigali Amendment to the UN Montreal Protocol, an agreement to reduce hydrofluorocarbons (HFCs) through incremental targets (up to an 86% reduction by 2036). HFCs are used in refrigeration, air conditioning, and other cooling services Ratification has now resulted in an EPA rule-making process | <ul style="list-style-type: none"> Although this policy is not explicitly framed in Just Transition terms, the EPA's rule-making process now includes requirements to consider environmental justice. This follows reforms that increased the powers of the Environmental Justice Office within the EPA from September | Moderate JT Elements <ul style="list-style-type: none"> <i>Emphasis on distributive, procedural and environmental justice</i> <i>Broad transformative approach with managerial elements</i> |
| Clean Power  | <ul style="list-style-type: none"> Revisions to an EPA proposal to limit methane leaks from the oil and gas industry has been scaled up, as part of the Biden administrations broader focus on methane | <ul style="list-style-type: none"> As above, the policy has been developed in light of an environmental justice impact assessment | Weak JT Elements <ul style="list-style-type: none"> <i>Emphasis on procedural justice, consideration of environmental justice</i> <i>Mostly managerial approaches</i> |





California: New legislative package increases climate ambition

California legislature increases climate ambition, and sets new policy directions for energy










| Sector | Policy development | Commentary | Assessment |
|---|---|--|---|
| <p data-bbox="188 439 412 472">Multiple areas</p>  | <ul data-bbox="504 439 1072 1072" style="list-style-type: none">• Five of six climate bills proposed in California's legislature have passed. They include:<ul data-bbox="504 548 1072 1072" style="list-style-type: none">◦ Codifying the state's 2045 climate neutrality goal◦ Requiring that, by 2035, 90% of the state's retail electricity must be from renewables and 95% by 2040◦ Directing the California Air Resources Board to develop a program and set regulations for CCUS◦ Requiring the state to set targets for removing GHG emissions with nature-based methods◦ Prohibiting new or extensive retrofitting of existing oil operations within 3,200 feet of homes, schools, nursing homes and hospitals | <ul data-bbox="1108 439 1803 715" style="list-style-type: none">• The majority of the Bills approved by the California State legislature as part of this new package are high-level target setting efforts• Nonetheless, viewed collectively this legislative package demonstrates considerable engagement with just transition issues, including the health impacts associated with ongoing exploitation of fossil fuels | <p data-bbox="1895 439 2288 501">Moderate JT Elements (overall package)</p> <ul data-bbox="1837 554 2339 696" style="list-style-type: none">• <i>Emphasis on distributive, procedural and environmental justice</i>• <i>Broad transformative approach</i> |




Vietnam: (1) Updated NDC; (2) Just Energy Transition Partnership

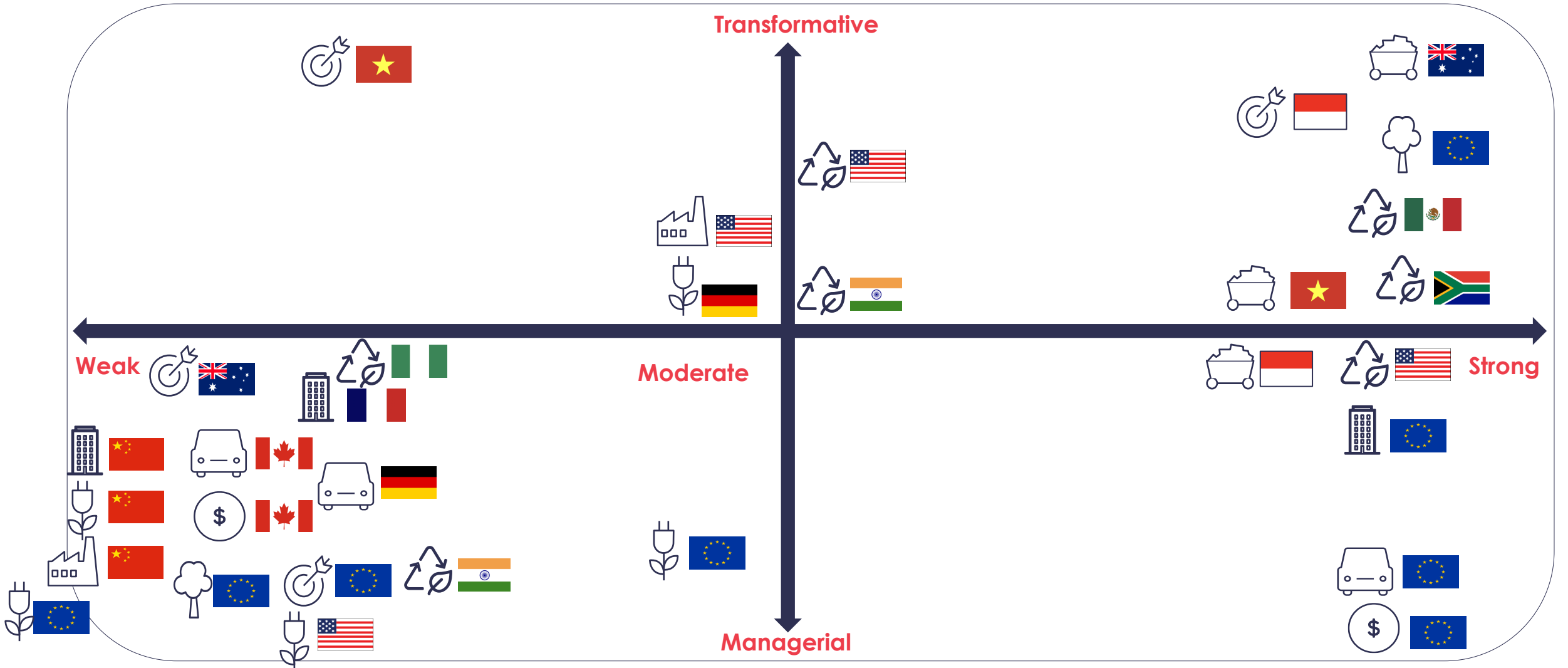
| Sector | Policy development | Commentary | Assessment |
|--|---|--|--|
| <p>Net zero targets</p>  | <ul style="list-style-type: none"> Vietnam submits updated NDC, with increased GHG emissions reduction targets for 2030 It also restates its intention to reach carbon neutrality by 2050 | <ul style="list-style-type: none"> Whilst the updated NDC is not expressly framed as a JT policy, there is reference to ensuring a just transition and supporting people who lose jobs, as well as assisting low-income groups when energy prices are high The updated NDC was developed with active participation of ministries, experts, scientists, NGOs, research agencies and development partners through in-person working sessions Assessment of impact on vulnerable groups, including women, ethnic minorities, children, elderly and people with disabilities Intention to improve community participation in forest protection, management and development | <p>Weak JT elements</p> <ul style="list-style-type: none"> <i>Transformative approach</i> <i>Contains procedural elements and some distributive considerations</i> |
| <p>Coal phase out</p>  | <ul style="list-style-type: none"> Political declaration on the Just Energy Transition Partnership published by Vietnam, together with the International Partners Group, consisting of the European Union, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Japan, the Federal Republic of Germany, the Republic of France, the Italian Republic, Canada, the Kingdom of Denmark and the Kingdom of Norway Announces a \$15.5bn partnership over the next 3 to 5 years | <ul style="list-style-type: none"> Express JT framing Notes that the transition should be complemented by training programmes, upskilling and other forms of worker support Calls for regular consultation Assessment of impact on vulnerable groups, including those working in thermal electricity generation, coal mining, heavy industry and transport | <p>Strong JT elements</p> <ul style="list-style-type: none"> <i>Contains both transformative and managerial approaches</i> <i>However, at this stage, the partnership is a political commitment and JT elements may evolve as the investment plan and implementation details are released</i> |

Key

| Icon | Sector |
|---|---------------------------------|
|  | Multiple areas / cross-sectoral |
|  | Coal phase out |
|  | Transport |
|  | Clean Power |
|  | Carbon Pricing |
|  | Clean Industry |
|  | Land Use and Forestry |
|  | Net zero targets |
|  | Buildings |

| Icon | Countries |
|---|----------------|
|  | Australia |
|  | Canada |
|  | China |
|  | European Union |
|  | France |
|  | Germany |
|  | India |
|  | Indonesia |
|  | Mexico |
|  | Nigeria |
|  | South Africa |
|  | United States |
|  | Vietnam |

Placing developments on the JT spectrum



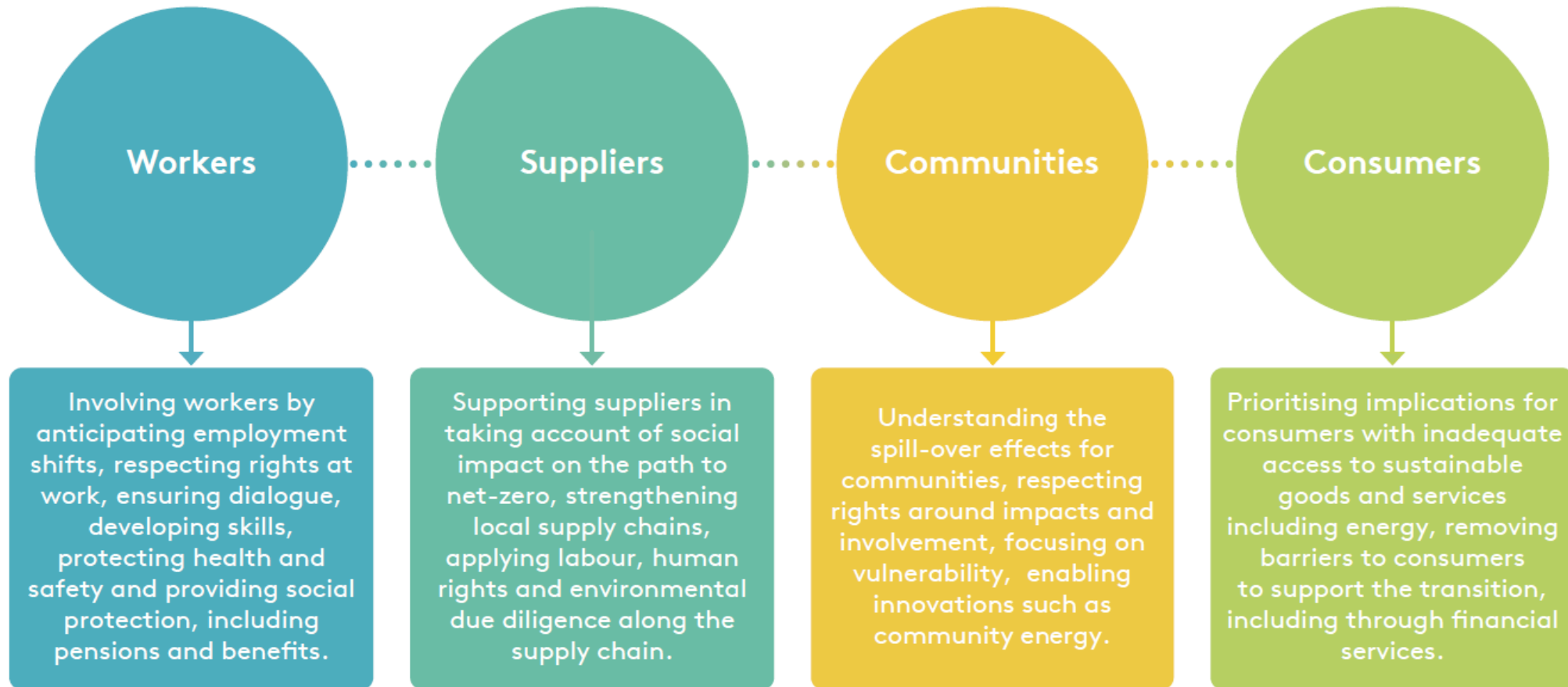
Annex: Why the Just Transition matters

Why consider the Just Transition?

- The Just Transition is increasingly recognised as **a key strategy for delivering ambitious climate action**. By responding to the needs of workers, communities and consumers, governments can accelerate the shift to a net-zero economy: first, by mitigating concerns about downside social risks, and second, by realising social opportunities in terms of the creation of decent work for all, social inclusion and the eradication of poverty.
- The ways that governments, business and investors now incorporate the Just Transition into their climate policies will be a key factor shaping how the IPR forecasts play out. Climate policies that anticipate and address the distributional dimension of net-zero **will have a greater chance of success**, and it could well make the difference between achieving or failing to achieve a net-zero economy by 2050.

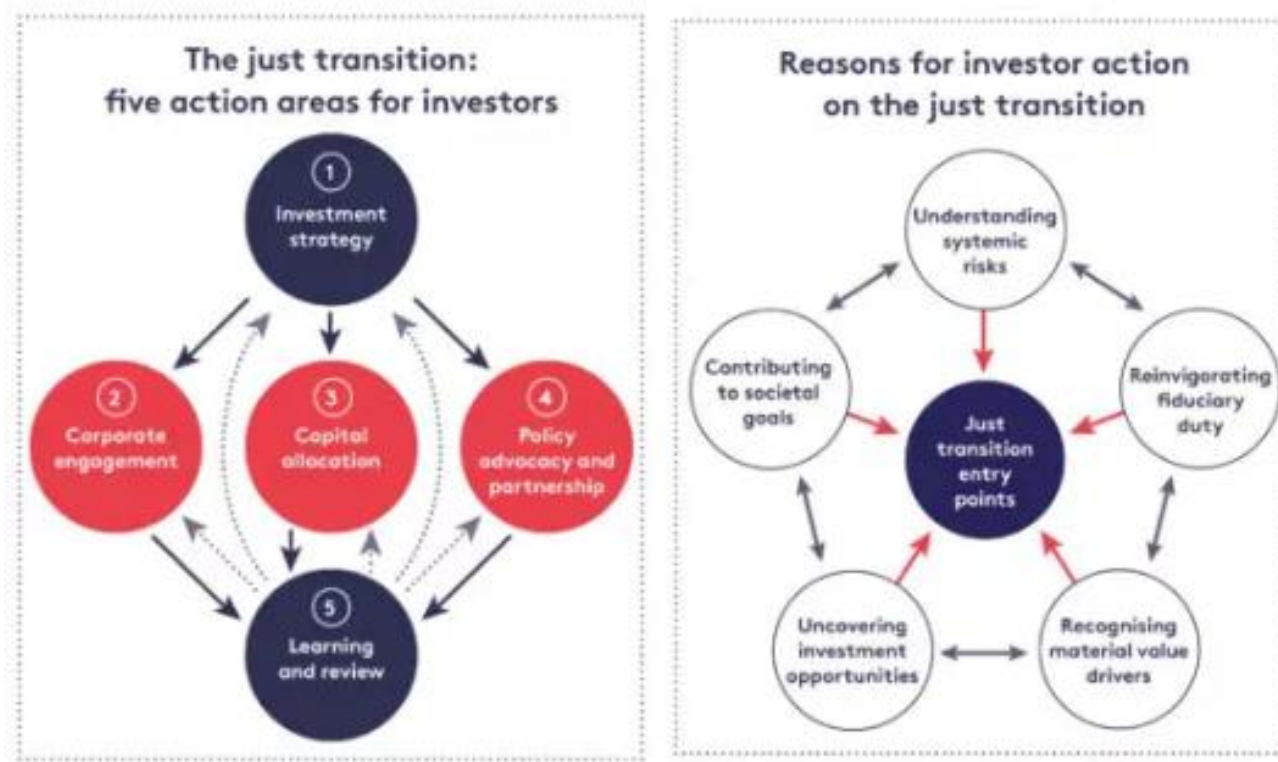
~ Nick Robins, *The Just Transition: Shaping the delivery of the Inevitable Policy Response*, Inevitable Policy Response (2022)

Priority groups in the Just Transition



~ Robins et al., Just zero: 2021 report of the UK Financing a Just Transition Alliance (2021)

Understanding the role of investors



~ Robins et al., *Climate Change and the Just Transition – A guide for investor action* (2018)