



Developed countries attempt to stall just transition mechanism

Bonn, 12 June (Hilary Kung) – At the ongoing Bonn negotiations on the Just Transition Work Programme (JTWP), developing countries presented various proposals to operationalise the Just Transition Mechanism (JTM), following last year’s landmark decision in Belém to establish the Mechanism. This progress, however, is being undermined by attempts from developed countries to delay and restrict the JTM through insisting that a mapping exercise on relevant arrangements under the UNFCCC and the Paris Agreement [PA] as well as other entities in the UN system on just transition be considered first, to see if a JTM is needed.

The **G77 and China** proposed guiding principles and functions for the JTM, which were then elaborated further by subgroups including the **African Group of Negotiators (AGN)**, **Independent Alliance of Latin America and Caribbean (AILAC)**, **Least Developed Countries (LDCs)**, the **Alliance of Small Island States (AOSIS)**, the **Like-minded Developing Countries (LMDC)**, **Arab Group** and other developing country Parties.

The **AGN** said it expects the JTM to be a “fully constituted CMA body”, “modelled on the Standing Committee on Finance (SCF), empowered to provide high level normative guidance across all the main pillars of means of implementation

(MOI)”, stressing that this is non-negotiable for the group.

However, **Japan** said the mapping exercise by the secretariat is “critically important”, especially on the “necessity of such a new mechanism in the first place”, adding that discussions should “start with the mapping” to “avoid duplications”. It also proposed to expand the mandate of the mapping exercise by calling for submissions from Parties and non-Party stakeholders before Parties “can assess whether a mechanism is necessary”.

The **United Kingdom (UK)** and **Norway** said that a new body is not possible given the UNFCCC’s budgetary constraints. **Norway** also said that Parties should consider whether the JTM can just “provide existing bodies with guidance to implement just transition work” or have a “workplan”. **Canada** was also of the view that it is better to align and strengthen what already exists instead of creating a new additional structure.

Along a similar vein, the **European Union [EU]** said that the 90-page mapping output by the secretariat demonstrated the challenge is not “institutional scarcity but fragmentation” and suggested that “JTM rather than creating parallel track, should coordinate existing actors

and resources". It then suggested that JTM should operate under 3-year workplan that feeds into next cycle of the global stocktake [GST] with well-defined activities, relevant entities, timeline and level of implementation.

[Meanwhile, in the Mitigation Work Programme (MWP) negotiation track, developed countries are proposing to establish a new arrangement for mitigation without the mention of budgetary constraints.]

There were many interventions especially from developed countries and some developing countries on the need for nationally determined contributions [NDCs] to be aligned with limiting temperature rise to 1.5°C and best available science, which elicited a strong response from **India**. It stressed that "any assessment of whether or not a Party's NDC is aligned with a fair contribution to the global burden of limiting warming to the temperature goals of the PA must be based on estimating whether the cumulative emissions implied by the NDC are in keeping with that Party's fair share of the carbon budget. All such analyses clearly show that no developed country's NDC is aligned with the PA goals". It also highlighted [an equity assessment of the scenarios assessed in Intergovernmental Panel on Climate Change's \[IPCC\] 6th Assessment Report \[AR6\]](#) "showed that a higher mitigation burden was allocated to developing countries, with Africa bearing the highest burden of mitigation even in the current decade".

HIGHLIGHTS OF THE INTERVENTIONS

Egypt, for the **G77 and China**, highlighted "the importance of taking structured steps towards advancing the development and operationalisation of JTM by COP31". On governance and functions, it proposed "that the JTM must serve as an institutional home for supporting countries' just transitions under the PA, operating under the authority and guidance of the CMA. It then outlined the purpose which should be in line with decision 2/CMA.7, which are: - "enhance international cooperation and support, such as provision of finance and other means of implementation [MOI] for nationally determined just transition pathways"; - "provide technical assistance, capacity-building and knowledge-sharing responsive to national circumstances and local priorities"; -"support equitable, nationally driven

and inclusive just transitions across sectors and dimensions of climate action"; and "build on and complement relevant workstreams under the Convention and the PA, including the JTWP"

The Group "wishes to underline that the necessary enabling environments for just transitions must respond to the concrete realities faced by developing countries, including by addressing structural constraints, such as limited fiscal space and access to technology; the rise of climate-related unilateral trade measures [UTMs]; need to strengthen social protection systems and development pathways; and promoting a supportive and open international economic system. These are essential enablers for equitable and inclusive just transitions, and should therefore be reflected in the operationalisation of the Mechanism alongside international cooperation, technical assistance, capacity-building and knowledge sharing".

It also highlighted 10 guiding principles for its operationalization, which include: (1) Equity and common but differentiated responsibilities and respective capabilities (CBDR-RC); (2) nationally determined and non-prescriptive approaches and include social protection to mitigate potential impacts associated with the transition, and avoid new external benchmarks or conditionalities; (3) Whole-of-economy, whole-of-society, multi-stakeholder, equitable, inclusive and participatory just transitions; (4) Adaptation and climate resilience should be fully reflected in just transitions including through support for social protection systems, resilience-building and responses to structural constraints and loss and damages faced by developing countries; (5) MOI, including grant-based and non-debt finance, technology development and transfer, capacity-building and technical assistance, are essential to support equitable and inclusive just transitions in developing countries; (6) Sustainable development, poverty eradication and the right to development should remain central to all just transitions. Also narrowing the North-South development gap and promoting global sustainable development; (7) Promotion of decent work, quality jobs and meaningful social dialogue as fundamental enablers of just transition pathways, which shall consider the informal sector, the care economy, unemployed people and future workers, small-scale farmers and agricultural communities in transition; (8) Inclusive and participatory;

among others.

Ghana, for **AGN**, said it expects that the governance of JTM to be a “fully constituted CMA body”, empowered to provide high level normative guidance across all the main pillars of MOI” and is “not a dialogue platform”. This it said is “non-negotiable”.

[In AGN’s submission on the JTM, explained that its proposal that JTM to come under the CMA authority instead of the Subsidiary Bodies (SBs) is essential, because “only a CMA body holds the mandate and the legitimacy to provide authoritative guidance to the Financial Mechanism and Technology Mechanism and to inform Parties’ assessment of the adequacy of existing and emerging finance channels”.

Ghana also said that the group proposed a 2-tier governance model. One of the core functions is that the JTM should provide normative guidance to international cooperation systems such as the trade systems, intellectual property [IP] regimes to address systemic barriers for access support for its just transition and that it must be firmly grounded in the relevant Articles of the PA for developed countries to provide MOI to developing countries.

On finance, it proposed that the JTM to provide normative guidance to inform the Green Climate Fund (GCF) and its replenishment processes and “integration and mainstreaming of equity considerations across international financial institutions”. It remarked that “the existing climate finance channels including the GCF, Global Environment Facility (GEF), Adaptation Fund (AF) and bilateral instruments have not been designed to address the people-centred dimensions of just transitions [such as] the formalisation of informal economies, social protection for affected communities, and the economic diversification of fossil-fuel and trade-exposed developing economies”.

It also commented that all financing instruments must be assessed against the principles of “additionality, grant-equivalence, non-debt creating”, while also noting that “Parties, may, over time and in light of evolving needs and experience, assess the financial arrangements for just transitions”.

In general, AGN proposed 5 interconnected elements: purpose and scope, guiding principle, governance and institutional arrangement, core functions – MOI and operationalisation process and timeline, requesting that the Co-chairs reflect and address all the 5 elements in the draft decision text and not differ them for future questions.

Chile, for **AILAC** said that “JTM should be under the CMA but to effectively implement just transitions”, it should establish clear linkages with other constituted bodies under COP and CMA and “it will become the central venue of mainstreaming just transitions within and outside of the Convention”. It also said that JTM should support Parties in integrating just transition considerations into the planning, implementation and monitoring of national climate and development policies, including the Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and Long-Term Low Emission Development Strategies (LT-LEDS). The main objective for the JTM is to enhance international cooperation, technical assistance, capacity-building, and knowledge sharing for enabling equitable and inclusive just transitions for achieving the goals of the PA.

Ethiopia, for the **LDCs**, also proposed a 2-tier governance model and that JTM should be implementation focus with both international and national dimensions. It also said that the just transitions must be understood within the context of “high debt burden and limited fiscal space” and the need for JTM to address or facilitate “debt reform” discussion. It also stressed on the special needs and circumstances of LDCs, and called for its unique context to be taken into account in the design of JTM, to enable LDCs to leapfrog to clean and renewable energy system.

On linkage between JTM and JTWP, it said “JTWP must continue beyond 3 years as negotiation space, [while] JTM turning these issues into outcome, operationalised at COP31, alongside renewal of JTWP”.

Fiji, for **AOSIS**, proposed that the JTM to be “Party-driven and informed by strategic experts”, and “implementation-focus”. It said that “the objective of JTM is to identify and facilitate capacity building, technology transfer and institution strengthening

of 1.5 C aligned just transition pathways”, tailored to developing countries based on their “specific vulnerability” and resource base.

In terms of governance, it proposed a “Just Transition technical expert body arm of JTM”, which provides “demand driven technical assistance for countries to implement just transition in NDCs, NAPs and LTLEDs, as well as assisting developing countries to identify their needs and type of support needed” adding that the “JTM will then coordinate with constituted bodies and match the existing UNFCCC bodies to the countries requesting technical assistance”. It also said that there is value in the JTM being hosted in secretariat and called for dedicated seats for Small Island Developing States (SIDS), relevant bodies, experts and constituencies.

Saudi Arabia, for the **LMDC** said that the JTM should function as a facilitative and demand-driven cooperation network that strengthens international cooperation, supports developing countries in addressing structural barriers to development-oriented transitions, and enhance access to MOI, which would allow developing countries to plan for and implement their just transitions national pathways. “The governance of the JTM must ensure equitable representation for developing countries, with due consideration for the needs and priorities of developing countries,” it said further.

It also proposed that the mechanism should focus on “ensuring equity and the right to development of countries”, “fostering an international rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system”, among others.

It highlighted on some key principles that should guide the operationalisation of the JTM, which include “nationally determined and bottom up approaches”, “emphasizing the broad scope of Just Transitions, in a manner that promotes a comprehensive understanding of just transitions, including adaptation and building resilience to the impacts of climate change”, “non-prescriptive and non-conditional approaches, as the mechanism should not introduce standards or benchmarks for transitions, metrics or indicators, sectoral transition pathways nor new reporting obligations

or recommendations” and “narrowing the North-South development gap and promoting sustainable development”.

In the same vein, **Qatar for Arab Group** also echoed similar guiding principles.

South Africa proposed the need for SB64 to create a space to practically unpack what “international cooperation” means. It sees the opportunity to reflect on the mapping exercise but “the design of JTM should not be constrained by what currently exists...if we want JTM to do what is required”.

India, said the JTM should not become an expert-driven and top-down process.” It also explained that “in a world that is characterized by deep rooted structural inequalities between countries, the principle of preserving sovereignty is extremely important for developing countries and this recognition is also the basis for strengthening international cooperation.” One important objective for the JTM “is to identify and explore ways to address the barriers and challenges to achieving just transitions both globally and nationally. It is important that we have fair and frank discussions about climate related UTMs, assess their impacts, and establish methods of addressing the imposition of such measures themselves, as well as their impacts on developing countries”. On the linkages between the JTM and the JTWP, India said “it is implied in this structure” and that “both the JTWP and the JTM have distinct but coordinated roles to play”.

Said India further, the JTWP has built an understanding that “recognises development as the core lens through which climate action must be viewed, particularly in developing regions, which do not have the advantage of years of economic growth undertaken in a manner that has already depleted a large share of the global carbon budget. The JTM must support for the development of this understanding, and operationalising it in the way in which we think about climate action, the distribution of the mitigation burden, and eventually achieving the long-term goal of the Convention itself.

India explained that “It is precisely due to the lack of reference to concrete ways to operationalise climate justice in the way in which climate action is implemented that led to the creation of the

JTWP....We also do not think that completing the mapping exercise is a condition for developing the mechanism. The COP30 decision clearly mandates us to discuss this at SB64 with a view to its establishment at COP31. We cannot accept any renegotiation of that decision, and so do not agree that the discussion should begin from whether or not we need the mechanism itself,” said India.

On the NDC alignment with 1.5°C target India said that “The key question here is how one determines whether an individual country’s NDCs is aligned with a global goal of limiting warming to a specific temperature level. Since the NDC is national in nature and the temperature target is global. Any assessment of whether an individual country NDC is “aligned” with the temperature targets of either 1.5° or 2°C must use some metric to correlate country NDCs to this global target. Therefore, one must determine what this metric should be. When being discussed under UNFCCC and its PA, guided by their principles and provision, any such metric must incorporate elements of equity and CBDR&RC. We know from the latest scientific assessment of the IPCC that global warming is directly proportional to cumulative CO2 emissions. The world therefore has a carbon budget within which global cumulative emissions must be limited. According to the same assessment of the IPCC, about 4/5th of the carbon budget available to the world to limit warming to 1.5° C (50% probability) and about 2/3rd of the carbon budget to limit warming to 2° C (67% probability) has already been exhausted by 2020 itself. Developed countries are responsible for a large majority of these historical cumulative emissions from pre-industrial times till 2020. The very limited remaining carbon budget is also being rapidly exhausted by continuing emissions, from developed countries (which continue to emit far above their fair share of emissions even in this decade).” It said further that “The assessment of whether or not a Party’s NDC is aligned with a fair contribution to the global burden of limiting warming to the temperature goals of the PA must be based on estimating whether the cumulative emissions implied by the NDC are in keeping with that Party’s fair share of the carbon budget. All such analyses clearly show that no developed country NDC is aligned with the PA goals.”

It added further that “There are many ‘other’

scenarios and pathways that seek to provide ‘benchmarks for correlated national or regional pathways to global temperature targets. However, most of these scenarios, especially those that have been part of IPCC assessments so far, are based on cost optimisation approaches, and far from operationalising equity, they project continuing inequality and lack of even basic development into the future.” India said that an equity assessment of the scenarios assessed in IPCC’s AR 6 showed that a higher mitigation burden was allocated to developing countries, with Africa bearing the highest burden of mitigation even in the current decade. The IPCC report itself says that the more stringent mitigation scenarios, relying on high amounts of land-based mitigation, led to projections of higher risk of hunger and food insecurity in developing countries, particularly in South Asia and Africa. It is important therefore, to carefully assess any claims to ‘alignment’ to the temperature goal of the PA, and the uncritical use of any benchmark – particularly given our enhanced understanding through discussions over the past few years on critical issues underlying just transitions.”

Emphasised India, “While we are in complete agreement that all our work should be based on scientific evidence, we must do so in a manner that engages with the substance of the science. Science should not be just a slogan, but something that we actively engage with and incorporate in the way in which we design the Mechanism.”

Meanwhile, **Ghana**, speaking in its national capacity, said that in the 5th dialogue JTWP, documents show “that trade rules, sustainability standards, and market structures imposed by developed country Parties shape transition pathways in developing countries; that transition-related standards without commensurate support create barriers rather than enablers; and that the distributional and cross-border effects of climate measures are not peripheral they are central to what ‘just’ means”.

Referring to its case study, it said it “found that carbon border adjustment mechanisms (CBAM), deforestation compliance requirements (EUDR), and supply chain due diligence (CSDD) obligations impose measurable, material negative impacts on Ghana's trade competitiveness, export revenues,

and fiscal space present-tense economic injuries inflicted on an economy responsible for less than 0.1 % of cumulative global emissions. The Africa regional study found that Africa's transition employment and GDP gains are only fully realised when local content is embedded domestically; without it, Africa replicates in the green economy the extractive position it has occupied in the fossil economy.”

In response to claims of budgetary constraints, it said that “the question is one of political priorities, not institutional capacity. Ghana will not allow a budgetary argument to accomplish what a substantive argument could not.”

Norway said it agrees that the JTM should be under the PA and under the CMA. It then highlighted the [interim output of the mapping exercise](#) and said that JTM “should make use of this document to avoid duplication with existing work”. It then suggested that Parties should use the mapping exercise to “develop how they can do what they can do”. It cited budgetary challenges, saying “we must be cautious when we do our work on JTM as [there is] no funding available” and “that’s why [we have to] use existing bodies”. It said the JTM can “provide existing bodies with guidance to implement just transition work” or “this can be done by [having a] workplan”. “We are happy with this new mechanism, [but] it cannot fix or solve anything wrong in the system, [and we] need to be precise on what the JTM can do,” cautioned Norway.

Japan proposed that the discussion should “start with the mapping” exercise and “then only discuss the functions of JTM” to “avoid duplications”. It suggested that the mapping exercise is “critically important” and “necessary” to the discussion, especially on the necessity of such a new mechanism in the first place. It proposed for further “elaboration of the mapping exercise...including call for submissions...to present a comprehensive and refined synthesis report for CMA8. After evidence established, Parties can design JTM in a timely and effective manner,” said Japan further.

The **UK** envisioned that the JTM can guide and enhance the journey of how to get to “destination” which is “to keep 1.5°C alive” and “enhance accelerated actions towards 1.5-aligned JT

pathway. On governance, it proposed that JTM is under JTWP, which is under the CMA. On institutional arrangements, it said it does not agree that a new body is possible given the budgetary constraints.

It also commented that while it recognised there may be challenges but the finance and MOI proposal go far beyond what we are able to achieve in this room, and this is not what the JTM is about. It said there is “no mandate for a fund or a funding window...and also no mandate for consideration of individual Party policy of trade related issues”, saying further that it was “baffled” with Parties bringing back climate and trade issue given Parties “already agreed in Belem to have a climate and trade dialogue”.

Canada concurred that the JTM is not a venue for climate finance, instead it needs to respond to what Parties have learned from the GST, from the review and the mapping exercise. It also agreed with EIG that coordination and facilitation function can be useful. It also welcomed the output of the mapping, which it said demonstrated the breadth of UN instruments and processes, as well as wealth of experience. Hence, instead of creating new additional structure, it was of the view that it is better to align and strengthen what already exists. **EU** said that the mapping output demonstrated that a broad array of international actors are already integrating just transition into their work and the challenge is not “institutional scarcity but fragmentation” and hence suggested that that “JTM rather than creating parallel track, should coordinate existing actors and resources”. It then suggested that JTM should operate under 3-year workplan that feed into next GST cycle with well-defined activities, relevant entities, timeline and level of implementation.

It proposed that “JTM serve as concrete enabler for strengthening and implementing 1.5°C aligned climate policies by addressing the social and economic dimensions of the transition...and it should operationalise rights based approach in cross cutting manner – respect and fulfill all human rights and social protection”.

One of the priority functions is to “foster the promotion and consideration of key just transition elements in the design and implementation of NDCs, NAPs and LT-LEDS that are grounded in

scientific evidence and align with the outcomes of GST-1 and the relevant provisions of the PA. Its regular progress assessment within Biennial Transparency Reports (BTRs) and the next GSTs could be encouraged and guide the next round of NDCs, NAPs, and LT-LEDS; thus, feeding into the entire implementation cycle...”

Switzerland, for the **EIG** also highlighted that the purpose of the JTM should be to support an inclusive and equitable just transition to enhance climate action to limit the global temperature increase to 1.5°C above the pre-industrial levels,

increase the ability to adapt and enhance the resilience of all the ecosystems to the adverse effects of climate change, in line with the principle of CBDR. It then proposed convening experts, facilitating and coordinating supports, creating capacity building and disseminating best practices and tools, which include fossil fuel phase out strategies, social protection, economic diversification, among others.

New Zealand also echoed many of the points made by others such as Canada, AOSIS, EIG and UK.