



INEVITABLE  
POLICY  
RESPONSE

Quarterly  
Forecast Tracker  
Global progress against  
IPR policy scenarios

# An assessment of Just Transition elements in the Inevitable Policy Response

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- The role of investors

# The Just Transition takes on increasing importance in international policy-making

- Recent developments in international policy-making confirm that the Just Transition has become a critical concept in international policy-debates, with considerations of equity featuring prominently at COP26.
- The emphasis on the Just Transition at the international level continued with recent developments at G7 meetings in Berlin in May:

“our economies can contribute to sustainable and inclusive growth and recognise the importance of a just transition and accordingly seek to strengthen social protection systems and promote employability and continuing education, reskilling, and training as well as acknowledge changes in occupational safety and health.”

**~ G7 Climate, Energy and Environment Ministers' Communiqué, Berlin May 2022**

# 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 2022, we published a report analysing the growing incorporation of the Just Transition in climate policies by governments, businesses and financial institutions, and outlining its emergence as a key factor shaping how IPR global forecasts play out across sectors and technologies.
- In this analysis, we are now taking an in-depth look at the policies reflected in the IPR Quarterly Forecast Tracker, assessing to what extent they integrate the Just Transition.

# National-level Just Transition implementation is still in its infancy, but is spreading rapidly

- At the national level, policy consciousness of the Just Transition is still in its infancy. However, current analysis suggests that in many countries, there is a growing awareness of the fact that to have the best chance of effective and lasting implementation, policies need to take the Just Transition into account.
- Our findings show that Just Transition elements of many recent policies could be considerably stronger, and in many cases they are absent. One reason for this may be that at present many of the policies tracked are relatively high level. We would expect more detail on the incorporation of Just Transition elements to become evident as we get further into the implementation phase of the transition.
- The Just Transition has many elements; not all of them will be required in all policies so the strength of each policy must be considered in the context of national circumstances.

# Just Transition progress varies across regions


- Although progress on the Just Transition is moving in a positive direction, our findings show significant regional variation.
- Policies reviewed in Europe, North America, and South Africa included the strongest Just Transition elements, suggesting rapid progress in these geographies. Although it is early to say with certainty, present indications suggest Australia may also follow a similar path going forwards.
- Policy announcements in Asia were largely too high-level to determine whether the Just Transition will be adequately incorporated in implementation, although there were some weak signals that specific aspects of the Just Transition were being considered in the development of climate policy in China.
- Although the narrative of the Just Transition has been adopted by policy-makers in Brazil, there are major concerns about credibility.

# Implications for achieving the IPR 1.8°C FPS

- Understanding, recognition, and implementation of the need for a JT is moving in the right direction among policy-makers in many key regions.
- Although engagement is often relatively weak, it is there and we are cautiously optimistic that it is likely to become stronger over time.
- 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.
- Achieving a no overshoot **1.5 °C RPS pathway** will require engagement from all stakeholders across regions, with a corresponding step up in Just Transition considerations in regions where action is lagging.



# 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 <sup>(1)</sup>	Conception of Just Transition	
	Managerial	Transformative
Type of Justice	<ul style="list-style-type: none"> <li>• Procedural justice: managerial policies may focus on consultation with affected groups and other forms of participatory decision-making</li> <li>• 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)</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Recognition Justice: policies may contain specific reference to the needs and challenges faced by marginalized or vulnerable communities</li> <li>• Environment Justice: policies may incorporate other elements of environmental and social justice</li> </ul>
Scope	<ul style="list-style-type: none"> <li>• Likely to focus on a limited set of stakeholders or beneficiaries, such as workers in a given sector.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Space/Location	<ul style="list-style-type: none"> <li>• The policy is narrowly targeted at an industry in transition in one or more specified areas (e.g. coal regions; forests; agricultural areas)</li> </ul>	<ul style="list-style-type: none"> <li>• The policy anticipates the impacts of the transition on the whole of society</li> </ul>
Timeframe	<ul style="list-style-type: none"> <li>• Policies are reactive, seeking to respond to events or anticipated impacts associated with specific elements of a planned transition</li> <li>• Policies may be focused on the short and medium term</li> </ul>	<ul style="list-style-type: none"> <li>• Policies are proactive, focused on creating societal frameworks to enable long term change</li> <li>• Policies may be focused on long-term (2050 or beyond) transition</li> </ul>



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

<sup>(1)</sup> Adapted from the Just Transition framework developed by Heffron & McCauley (2018)

# Outcomes of assessment of JT elements in 30 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
US				9	9
China		3			3
EU			2	2	4
Germany		2		1	3
UK			2		2
Brazil	3	1			4
Canada				2	2
South Africa			1	1	2
Australia		1			1
Total	3	7	5	15	30

# Germany: (1) Coal Phase Out; (2) Vehicle Sales Ban; (3) Renewables






Germany accelerates coal phase out to 2030; intention to end sale of combustion engine cars; 80% renewable energy by 2030

Sector	Policy development	Commentary	Assessment
<b>Coal Phase Outs</b> 	<ul style="list-style-type: none"> <li>In November 2021, in a coalition agreement Germany announced its intention to bring forward the coal phaseout to 2030 from 2038. This follows an April 2021 Germany court decision stating Germany lacks a plan for emissions reductions after 2031 and ordering enacting of provisions by the end of December 2022</li> </ul>	<ul style="list-style-type: none"> <li>Policies developed through participatory processes, drawing on recommendations from the Coal Commission</li> <li>Policy instruments include investments to diversify regional economies, provision and support of training opportunities for up- and reskilling, and retirement security</li> <li>Implementation at local, regional, and national level</li> </ul>	<b>Strong JT elements</b> <ul style="list-style-type: none"> <li>Contains both procedural and distributive elements</li> <li>Managerial approach</li> </ul>
<b>Transport</b> 	<ul style="list-style-type: none"> <li>In November 2021, Germany announced its intention to end the sale of combustion engine cars before 2035, with a goal to have at least 15m electric vehicles on the road by 2030.</li> <li>The plans set out in the coalition agreement cover transport overall (e.g., air traffic, rail, bicycle, infrastructure)</li> </ul>	<ul style="list-style-type: none"> <li>Policy instruments include carbon pricing for road and air travel, the revenue of which are planned to be used to support other modes of transport and R&amp;S for low-carbon transport solutions</li> <li>Support for good working conditions in public transport</li> <li>No JT framing or impact assessment of vulnerable groups</li> </ul>	<b>Weak JT elements</b> <ul style="list-style-type: none"> <li>Contains distributive elements</li> <li>Managerial approach</li> </ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>In November 2021, the German government announced a commitment to 80% renewable energy by 2030. In April 2022, the government issued a legislative roadmap to achieve this goal.</li> <li>This is a legislative proposal that forms part of the "Easter package", along with other proposals (e.g., on wind energy and LNG).</li> </ul>	<ul style="list-style-type: none"> <li>No JT framing or impact assessment of vulnerable groups</li> <li>Some participatory processes in the development of the proposal with local and regional communities and businesses</li> </ul>	<b>Weak JT elements</b> <ul style="list-style-type: none"> <li>Contains procedural elements</li> <li>Managerial approach</li> </ul>



# EU: (1) RePowerEU plans


EU publishes plans to rapidly reduce dependence on Russian fossil fuels and accelerate the green transition – including a new EU External Energy Strategy and EU Solar Strategy

Sector	Policy development	Commentary	Assessment
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>RePowerEU plan – this has been prepared by the EU Commission to rapidly reduce dependence on Russian fossil fuels and speed up the green transition</li> <li>The measures aim to generate energy savings, diversify energy supplies and accelerate the roll-out of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>The plan accounts for supporting measures (e.g., reduced VAT rates for heating systems and other pricing measures) to "cushion social and distributional impacts"</li> <li>Participatory approaches involve coordination with local and regional authorities</li> <li>Broader impacts considered, including disruptions to security, food, health and safety at European and the global level</li> </ul>	<b>Moderate JT elements</b> <ul style="list-style-type: none"> <li>Focuses on distributive justice elements</li> <li>Shows both transformative and managerial approaches</li> </ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>EU External Energy Strategy – this sets out more detailed plans for energy diversification and long-term partnerships with suppliers on hydrogen and other green technologies</li> <li>In the Mediterranean and North Sea, major hydrogen corridors will be developed</li> </ul>	<ul style="list-style-type: none"> <li>Uses explicit JT framing</li> <li>Emphasis on collaboration with EU partner countries, IEA, IRENA, ILO and encourages labour and social policy dialogue with other countries</li> </ul>	<b>Strong JT elements</b> <ul style="list-style-type: none"> <li>Shows both transformative and managerial approaches</li> </ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>EU Solar Strategy – proposal to increase the 2030 target for renewables from 40% to 45%. Aims to double solar photovoltaic capacity by 2025 and install 600GW by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Uses explicit JT framing</li> <li>Sets up EU Solar PV Industry Alliance, which will provide a framework to cover citizen engagement</li> <li>Includes a Social Climate Fund with measures principally for the benefit of vulnerable consumers and micro-enterprises</li> <li>Emphasis on labour standards</li> </ul>	<b>Moderate JT elements</b> <ul style="list-style-type: none"> <li>Shows both transformative and managerial approaches</li> </ul>

# EU: (2) ETS Proposals




EU proposes to expand the EU emissions trading scheme

Sector	Policy development	Commentary	Assessment
<b>Carbon Pricing</b> 	<ul style="list-style-type: none"><li>As part of the EU "Fit for 55" package, the EU has proposed to expand its emissions trading scheme</li><li>The proposal aims to: (i) include emissions from maritime transport; (ii) phase out free allocation of allowances to aviation; (iii) implement the global carbon offsetting and reduction scheme for international aviation; and (iv) create a new separate ETS for buildings and road transport</li></ul>	<ul style="list-style-type: none"><li>Uses explicit JT framing</li><li>Strong incorporation of participatory processes, e.g., multi-lateral stakeholder meetings (includes industry representatives, trade unions, NGOs) and open public consultation (with a breakdown of respondents)</li><li>The proposed new ETS for buildings and transport has a two-phase timeline, in order to "ensure a socially fair introduction... so as to mitigate the impact of the carbon price on vulnerable households"</li></ul>	<b>Strong JT elements</b> <ul style="list-style-type: none"><li><i>Contains both procedural and distributive elements</i><ul style="list-style-type: none"><li><i>Managerial approach</i></li></ul></li></ul>

# Canada: (1) 2030 Emissions Reduction Plan




Canada outlines sector-by-sector path to reach its 40% decarbonisation target by 2030

Sector	Policy development	Commentary	Assessment
<b>Multiple areas</b> 	<ul style="list-style-type: none"><li>The 2030 Emissions Reduction Plan provides a roadmap that outlines a sector-by-sector path for Canada to reach its emissions reduction target of 40% by 2030, to ultimately achieve net-zero emissions by 2050.</li><li>Sectors covered include buildings, electricity, heavy industry, oil and gas, transportation, agriculture, waste, nature-based solutions, clean technology and sustainable finance</li></ul>	<ul style="list-style-type: none"><li>Uses explicit JT framing</li><li>Assessment of impacts on women; racialized communities; Indigenous communities; low-income groups</li><li>Strong participatory mechanisms at all levels of government</li><li>Broad range of beneficiaries, including households, workers, businesses, provinces and territories, municipalities, society as a whole, and future generations</li><li>Conceptions of justice are manifold and also include recognition and environmental justice, as well as distributive and procedural elements</li></ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"><li><i>Broad conception of Justice</i></li><li><i>Includes both transformative and managerial elements</i></li></ul>

# Canada: (2) 2022 Budget



Canada announces 2022 Budget, including a proposed investment tax credit for carbon capture, utilisation and storage (CCUS)



Sector	Policy development	Commentary	Assessment
<b>Multiple areas</b> 	<ul style="list-style-type: none"><li>In April, the Canadian Government published its 2022 Budget, which included a proposed new investment tax credit for carbon capture, utilisation and storage</li><li>The proposal was as follows: for eligible expenses incurred between 2021-2030: 60% for eligible capture equipment used in a direct air capture project; 50% for all other eligible capture equipment; and 37.5% for eligible transportation, storage, and use equipment</li></ul>	<ul style="list-style-type: none"><li>Uses explicit JT framing</li><li>Impact assessment of particularly vulnerable groups to climate change (Northern, coastal, Indigenous and remote communities) and emphasis on adaptation investments to such groups</li><li>CCUS credit was developed after consultation with the public, stakeholders and provinces</li><li>Engagement with Indigenous communities on economic development projects</li></ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"><li><i>Broad conception of justice, emphasis on procedural and distributive</i></li><li><i>Includes both transformative and managerial elements</i></li></ul>



# South Africa: (1) Just Energy Transition Partnership; (2) Climate Commission and JT Framework




Just Energy Transition Partnership: Presidential Climate Commission adopts a Framework for a Just Transition in South Africa

Sector	Policy development	Commentary	Assessment
<b>Coal Phase Outs</b> 	<ul style="list-style-type: none"> <li>France, Germany, the UK, the US and the EU announced an \$8.5 billion package of grants and concessional finance over 3-5 years for South Africa to accelerate the retirement of coal plants and the deployment of renewable energy</li> <li>The \$8.5 billion is an initial commitment and will be mobilised for the first phase of financing, through various mechanisms including grants, concessional loans and investments and risk sharing instruments, aiming to mobilise the private sector</li> </ul>	<ul style="list-style-type: none"> <li>Key emphasis is on international financial and technical cooperation</li> <li>Includes some consideration of impacts on women and young people</li> <li>Intended beneficiaries include workers, local community and businesses</li> <li>Not a lot of implementation detail yet but focus will be on the energy sector with secondary attention to electric vehicles</li> <li>Participatory elements missing but may come at implementation phase</li> </ul>	<b>Moderate JT Elements</b> <ul style="list-style-type: none"> <li>Focus on distributive justice</li> <li>Managerial approach</li> </ul>
<b>Multiple areas</b> 	<ul style="list-style-type: none"> <li>The Presidential Climate Commission (PCC) is an independent, statutory, multistakeholder body. Its express purpose is to "oversee and facilitate a just and equitable transition"</li> <li>In May 2022, the PCC adopted a Framework for a Just Transition in South Africa</li> <li>Consulted extensively with workers, communities, businesses, social partners, municipalities and traditional leaders (including a series of in-person community consultations between March-May 2022)</li> </ul>	<ul style="list-style-type: none"> <li>Underpinned by environmental justice; distributive; restorative; and procedural justice principles</li> <li>Identifies four at-risk sectors (coal value chain, auto value chain, agriculture and tourism), together with actions required; persons responsible and risks</li> <li>Clear priority to vulnerable groups (rural communities, the poor, women, youth and children)</li> <li>Policy actions across skills development, social protections, governance, industry-specific measures</li> <li>Calls for integration of JT framework into national budget and other policy areas</li> <li>Clear acknowledgement that the framework is an organising framework and should develop over time, with the PCC working with social partners on a detailed implementation plan</li> </ul>	<b>Very strong JT Elements</b> <ul style="list-style-type: none"> <li>Broad focus on justice, including procedural; distributive and restorative</li> <li>Transformative approach but expressly includes list of subsequent short-term managerial actions</li> </ul>





# China: (1) Greening of Belt and Road Initiative

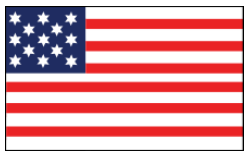
China incorporates new social and environmental assessment processes into Belt and Road Initiative

Sector	Policy development	Commentary	Assessment
<b>Coal Phase Outs</b> 	<ul style="list-style-type: none"><li>In March, four Chinese ministries published a key document on further greening of its Belt and Road Initiative (BRI), referring to retrofitting of existing coal plants to make less polluting, more efficient, or to install CCUS technology</li></ul>	<ul style="list-style-type: none"><li>Involves the implementation of BRI Green Development Guidance</li><li>JT elements confined to development of participatory processes and inclusion of grievance mechanisms for affected communities in the Guidance</li><li>Broad potential for impact given scale of the initiative</li><li>High level international guidance but with a high degree of relevance for project-level decisions</li></ul>	<b>Weak JT Elements</b> <ul style="list-style-type: none"><li><i>Focus on procedural justice</i></li><li><i>Managerial approach</i></li></ul>

# China: (2) Five-Year Plan for Modern Energy System; (3) Five-Year Plan for Renewable Energy Sector





Sector	Policy development	Commentary	Assessment
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>In March, China released its Five-Year Plan for Modern Energy System. China aims to increase the proportion of non-fossil energy consumption to 20% by 2025 and non-fossil power generation to 39% by the same year</li> </ul>	<ul style="list-style-type: none"> <li>Some weak JT elements through intended beneficiaries. Acknowledges urban-rural disparities in energy infrastructure and emphasises aims of poverty alleviation and rural revitalisation</li> <li>Some reference to local conditions</li> <li>No participatory processes</li> <li>Continued encouragement of coal-based oil and gas strategies</li> <li>Includes a goal to support developing countries with green energy</li> </ul>	<b>Weak JT Elements</b> <ul style="list-style-type: none"> <li><i>Some distributive justice elements</i> <ul style="list-style-type: none"> <li><i>Managerial approach</i></li> </ul> </li> </ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>In May 2022, the NDRC published a new Five-Year Plan for the Renewable Energy Sector. In the same week, the Ministry of Finance issued a press release declaring its intention to create a basic financial policy framework by 2030 to support China's dual carbon goals. The NDRC and the National Energy Administration also published an implementation plan with 21 measures to ensure the country's high-quality development of new energy</li> </ul>	<ul style="list-style-type: none"> <li>The plan references environmental impact assessment, but focuses on ecological impact (as opposed to vulnerable groups assessment)</li> <li>The plan requires hydropower development to involve sharing of benefits between communities, local governments and enterprises</li> <li>The financial policy framework references CBDR-RC principles in international cooperation. It also suggests adjusting measures to local conditions, as well as policies to support capacity building on adaptation and mitigation</li> <li>More specific implementation plans includes encouraging financial institutions to provide innovative products to rural farmers to invest in new energy projects</li> </ul>	<b>Weak JT elements</b> <ul style="list-style-type: none"> <li><i>Some distributive justice elements</i> <ul style="list-style-type: none"> <li><i>Managerial approach</i></li> </ul> </li> </ul>

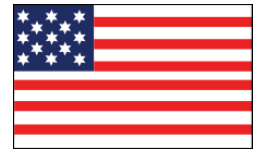


## United States: (1) Bipartisan Infrastructure Law (BIL); (2) Permitting Action Plan




Congress passes Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act); and the Permitting Action Plan

Sector	Policy development	Commentary	Assessment
<b>Multiple areas</b> 	<ul style="list-style-type: none"><li>In November 2021, the US\$1.2trn Infrastructure Investment and Jobs Act was signed into law. It is the largest single infrastructure investment in America history.</li><li>Objectives are multi-fold, including funds for: rebuilding roads, bridges and rail lines; tackling energy and infrastructure issues created by the climate crisis; investing in neglected communities</li></ul>	<ul style="list-style-type: none"><li>Uses explicit JT framing</li><li>Strong attention to environmental justice</li><li>Express reference to ILO Just Transition Guidelines</li><li>Engagement with wide range of key beneficiaries and with distributive impacts</li><li>Awards priority investment to entities that provide workforce opportunities in communities that have lost jobs due to displacement of fossil energy jobs; prioritises benefits to disadvantaged communities; provisions to address disproportionate burden on adverse human health or environmental effects on communities of colour, low-income communities, Tribal and Indigenous communities</li></ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"><li><i>Emphasis on distributive and environmental justice</i></li><li><i>Broad transformative approach with managerial elements</i></li></ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"><li>In May 2022, the Biden-Harris administration releases a Permitting Action Plan to strengthen and accelerate federal permitting and environmental reviews</li><li>The goal is to accelerate delivery of infrastructure projects under the BIL, guided by the best science</li></ul>	<ul style="list-style-type: none"><li>Agencies are asked to reveal policies, procedures and staffing to ensure that the public has a "meaningful opportunity" to participate in decision-making</li><li>Emphasis on proactive and early participatory processes, including with affected Tribal Nations</li></ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"><li><i>Emphasis on procedural justice</i></li><li><i>Mostly managerial approaches</i></li></ul>

# United States: (3) Civil Nuclear Credit Program; (4) \$2.3bn investment to cut carbon pollution; (5) Regional Direct Air Capture Hubs program





## Strategic investments and projects under the Bipartisan Infrastructure Law

Sector	Policy development	Commentary	Assessment
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>The U.S. Department of Energy is seeking applications under the Civil Nuclear Credit Program to support the continued operation of U.S. nuclear reactors</li> <li>An application must demonstrate the reactor is projected to close for economic reasons and that closure will lead to a rise in air pollutants and carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>Strong procedural justice elements</li> <li>Applicants are required to submit descriptions of existing and proposed community engagement efforts, including worker and community transition plans to prepare for the eventual closure</li> <li>Ongoing requirement to submit annual reports on community engagement events</li> </ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"> <li><i>Emphasis on procedural and distributive justice</i></li> <li><i>Mostly managerial elements</i></li> </ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>In May 2022, the Department of Energy announced \$2.3 billion investment in increasing carbon storage sites, carbon management approaches and technologies</li> </ul>	<ul style="list-style-type: none"> <li>Uses explicit JT framing, creating green jobs and providing economic opportunities linked to expanding CO2 storage capacity</li> <li>Emphasis on active engagement of local communities to avoid imposing additional burdens on underserved communities</li> </ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"> <li><i>Emphasis on environmental justice</i></li> <li><i>Mostly managerial elements</i></li> </ul>
<b>Industry Decarbonisation</b> 	<ul style="list-style-type: none"> <li>The U.S. Department of Energy announced a \$3.5 billion funding for a program to capture and store carbon dioxide pollution directly from the air. The Regional Direct Air Capture Hubs program will support four large-scale, regional direct air capture hubs that each comprise a network of carbon dioxide removal projects</li> </ul>	<ul style="list-style-type: none"> <li>Uses explicit JT framing</li> <li>Emphasis that "meaningful" community engagement will be central to the successful development and implementation of the program</li> <li>Applications must include evaluation of the impacts, costs, benefits and burdens of the Hub on local communities</li> <li>Further details will be shared at a virtual summit on 20 July</li> </ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"> <li><i>Broad concept of justice</i></li> <li><i>Mostly managerial elements</i></li> </ul>

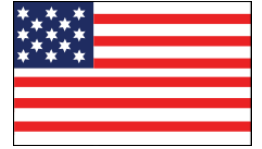
# United States: (6) Clean Manufacturing Policies; (7) solar tariffs





## Strategic investments and projects under the Bipartisan Infrastructure Law

Sector	Policy development	Commentary	Assessment
<b>Industry Decarbonisation</b> 	<ul style="list-style-type: none"> <li>In February 2022, the Biden-Harris Administration announced new actions to support U.S. clean manufacturing, including clean hydrogen initiatives, a "Buy Clean Task Force", and an Initiative for Interdisciplinary Industrial Decarbonisation Research</li> </ul>	<ul style="list-style-type: none"> <li>Uses explicit JT framing</li> <li>Emphasis on multi-stakeholder engagement; the new Initiative for Interdisciplinary Industrial Decarbonisation Research will convene social scientists, engineering, and physical scientists, community groups, industry and government</li> <li>Research agenda is specifically directed at building consensus to ensure a Just Transition to clean industry</li> <li>Wide ranging policy instruments</li> </ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"> <li><i>Emphasis on procedural and distributive justice</i></li> <li><i>Mostly managerial elements</i></li> </ul>
<b>Clean Power</b> 	<ul style="list-style-type: none"> <li>In June 2022, President Biden made several further executive orders to support domestic clean energy manufacturing. This included temporarily allowing solar modules and cells to be imported free of duties from Cambodia, Malaysia, Thailand and Vietnam for 24 months</li> </ul>	<ul style="list-style-type: none"> <li>Uses explicit JT framing</li> <li>Recognition that low-income communities have been historically overburdened by legacy pollution</li> <li>Policy instruments include project labour agreements and community benefits agreements and working with municipalities to enable residents of affordable housing to directly benefit from low-cost community solar power without seeing a rent increase or adjustment to their utility allowance</li> </ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"> <li><i>Emphasis on environmental justice</i> <ul style="list-style-type: none"> <li><i>Mostly managerial</i></li> </ul> </li> </ul>

# California: (8) Ban on ICE Vehicle Sales; (9) draft roadmap to carbon neutrality



California introduces ban on new gasoline-fueled cars by 2035; publishes draft climate action plan to reach carbon neutrality by 2045


Sector	Policy development	Commentary	Assessment
<b>Transport</b> 	<ul style="list-style-type: none"><li>In April, California's Air Resource Board introduced proposed measure to ban new gasoline-fueled cars by 2035 following to Governor Newsom's 2020 executive order</li></ul>	<ul style="list-style-type: none"><li>Strong attention to environmental justice in both executive order and guidelines</li><li>Engagement with wide range of key beneficiaries and with distributive impacts</li><li>Broad potential for impact given the "California effect"</li></ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"><li><i>Emphasis on distributive and environmental justice</i></li><li><i>Broad transformative approach with managerial elements</i></li></ul>
<b>Multiple areas</b> 	<ul style="list-style-type: none"><li>In May, California's Air Resource Board releases a draft plan setting out the state's transition to clear energy, specifically carbon neutrality by 2045</li><li>The strategy is not final and must be approved by political appointees</li></ul>	<ul style="list-style-type: none"><li>Uses explicit JT framing</li><li>According to CARB, the roadmap was influenced by recommendations from the Environmental Justice Advisory Committee to ensure that frontline communities were recognised</li><li>Repeated emphasis on cleaning the state's air particularly in disadvantaged communities disproportionately burdened</li></ul>	<b>Strong JT Elements</b> <ul style="list-style-type: none"><li><i>Emphasis on distributive and environmental justice</i></li><li><i>Broad transformative approach</i></li></ul>



# UK: (1) British Energy Security Strategy




UK publishes the British Energy Security Strategy

Sector	Policy development	Commentary	Assessment
<b>Clean Power</b> 	<ul style="list-style-type: none"><li>In early April, the UK government published its new British Energy Security Strategy. The Strategy considers faster decarbonisation as the pathway to energy security and independent, particularly in light of the conflict in Ukraine.</li><li>There are various targets for low-carbon power generation capacity, including nuclear, offshore and onshore wind and solar.</li></ul>	<ul style="list-style-type: none"><li>This document was released in the wake of rising energy prices and builds on the existing net zero strategy. The strategy includes a specific Household Support Fund for local authorities to use in supporting vulnerable groups with food and utility bills.</li><li>Some participatory processes, e.g., intention to consult this year on developing local partnerships for a limited number of supportive communities who wish to host new onshore wind infrastructure; consultation on amending planning rules regarding development on non-protected land</li></ul>	<b>Moderate JT Elements</b> <ul style="list-style-type: none"><li><i>Incorporates distributive and procedural justice elements</i></li><li><i>Broad transformative approach with managerial elements</i></li></ul>

# UK: (2) Agricultural Transition Plan





UK publishes Agricultural Transition Plan and plans for environmental land management schemes

Sector	Policy development	Commentary	Assessment
<b>Agriculture</b> 	<ul style="list-style-type: none"><li>In November 2020, the UK published its Agricultural Transition Plan. In January 2022, the UK government published environment and climate ambitions for three environmental land management schemes. The schemes are expected to be fully introduced by 2024.</li></ul>	<ul style="list-style-type: none"><li>Emphasis on procedural justice and distributive justice</li><li>The Sustainable Farming Incentive scheme (pilot agreements went live from November 2021) has been co-designed with industry (farmers, land-managers, experts)</li><li>In April 2022, the Rural Payments Agency update referred to setting up "co-design forums", which would involve stakeholders from the start of the project to roll-out</li></ul>	<b>Moderate JT Elements</b> <ul style="list-style-type: none"><li><i>Incorporates distributive, procedural and restorative justice elements</i></li><li><i>Broad transformative approach with managerial elements</i></li></ul>



# Brazil: (1) updated NDC; (2) Coal Phase Out



New NDC update; coal phase out law incorporates Just Transition framing

Sector	Policy development	Commentary	Assessment
<b>Multiple areas</b> 	<ul style="list-style-type: none"> <li>In April 2022, Brazil submitted an update to its NDC. It commits to reduce greenhouse gas emissions by 37% by 2025 and by 50% by 2030 (compared to 2005 levels). The submission also included a pledge to reach climate neutrality by 2050 and eliminate illegal deforestation by 2028</li> </ul>	<ul style="list-style-type: none"> <li>Institutional dialogue took place between the government and civil society through the Brazilian Forum on Climate Change for NDC planning</li> <li>NDC cross-references to Articles 5, 231 and 232 of the Brazilian Constitution, which establishes rights for all Brazilian citizens, paying due attention to special needs of women and Indigenous peoples</li> <li>Acknowledgement that approximately 75% of the Brazilian population lives in urban areas and the need to implement appropriate measures</li> </ul>	<b>Weak JT elements</b> <ul style="list-style-type: none"> <li>Some participatory processes</li> <li>Transformative approach</li> </ul>
<b>Coal Phase Out</b> 	<ul style="list-style-type: none"> <li>A Law approved in January 2022 establishes an economic subsidy to concessionaires of electricity distribution of less than 350 GWh and extends coal use in the state of Santa Catarina until 2040. The Law creates the Just Energy Transition Program and establishes a Just Energy Transition Council, responsible for establishing, a "Just Transition Plan"</li> </ul>	<ul style="list-style-type: none"> <li>The law creates a number of Just Transition institutions and instruments, creating a mandate for a "Just Transition Plan", with actions, indication of those responsible for implementing them, deadlines and funding options to be established within 12 months.</li> <li>The Law has been criticized as extending subsidies for fossil fuels, contributing to GHG emissions, and distorting the concept of a just transition. It is currently subject to litigation assessing it's constitutionality following a suit filed by senators</li> </ul>	<b>High risk for a Just Transition,</b> <ul style="list-style-type: none"> <li>Weak JT elements however lack of credibility of decarbonisation may mean it is high risk</li> <li>Transformative approach</li> </ul>



## Brazil: (3) Land Use Reform


Proposed legislation on Land use threatens protections for indigenous communities; proposed legislation to increase agribusiness

Sector	Policy development	Commentary	Assessment
<b>Land Use and Forestry</b> 	<ul style="list-style-type: none"><li>In March, President signalled ongoing support for a bill that would allow for more mining on Indigenous lands, including through relaxation of regulations on land grabbing and loosening of environmental licensing and agrochemical regulation regimes</li></ul>	<ul style="list-style-type: none"><li>If approved, this bill would remove protections for vulnerable communities and open new areas of forest to deforestations, posing serious risks to the Just Transition</li><li>Despite the lower house voting to consider the bill under emergency provisions in March, the bill faces significant domestic opposition and is unlikely to be approved</li></ul>	<b>High Risk for the Just Transition</b> <ul style="list-style-type: none"><li><i>Managerial approach</i></li></ul>
<b>Land Use and Forestry</b> 	<ul style="list-style-type: none"><li>In April, a new bill was proposed to redraw Amazon borders to exclude Mato Grosso state. Under the bill (PL 337), the requirements to maintain Amazonian vegetation in the state at 80% of a rural property's area, and 35% for Cerrado vegetation, will both be reduced to 20% for both</li></ul>	<ul style="list-style-type: none"><li>If approved, the bill is likely to increase deforestation and may encourage other states in the region to push for similar bills in the name of increasing agribusiness in the Amazon</li></ul>	<b>High Risk for the Just Transition</b> <ul style="list-style-type: none"><li><i>Managerial approach</i></li></ul>










# Australia: (1) Labour Party and new emission reduction targets



Australia's Labour Party wins the federal election

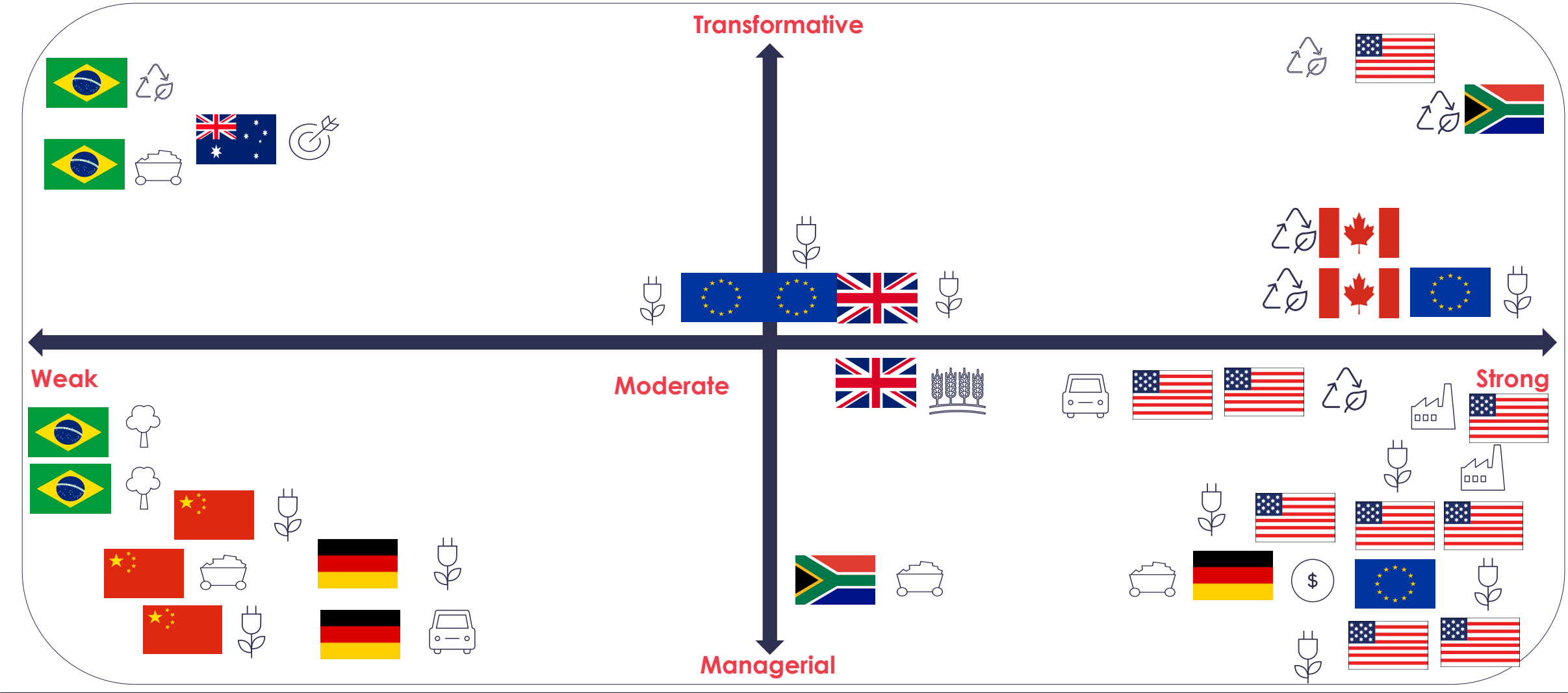
Sector	Policy development	Commentary	Assessment
<b>Net zero targets</b> 	<ul style="list-style-type: none"><li>In May 2022, the Labour Party wins federal elections. The new prime minister promised to turn Australia into a "renewable energy superpower"</li><li>Its "Powering Australia" plan targets cutting Australia emissions by 43% by 2030, from a 2005 baseline. This will be submitted as the country's new NDC</li></ul>	<ul style="list-style-type: none"><li>The Labour Party's Manifesto Policy on "Powering Australia" includes a focus on creating green jobs and references providing vulnerable households with more opportunities to reduce power bills through solar banks</li></ul>	<b>Weak JT Elements</b> <ul style="list-style-type: none"><li><i>Early stage developments with positive signals</i></li><li><i>Likely to be transformative</i></li></ul>

# Key

Icon	Sector
	Multiple areas / cross-sectoral
	Coal Phase Out
	Transport
	Clean Power
	Carbon Pricing
	Industry Decarbonisation
	Agriculture
	Land Use and Forestry
	Net zero targets

Icon	Countries
	Germany
	European Union
	Canada
	South Africa
	China
	United States
	United Kingdom
	Brazil
	Australia

# Placing developments on the JT spectrum





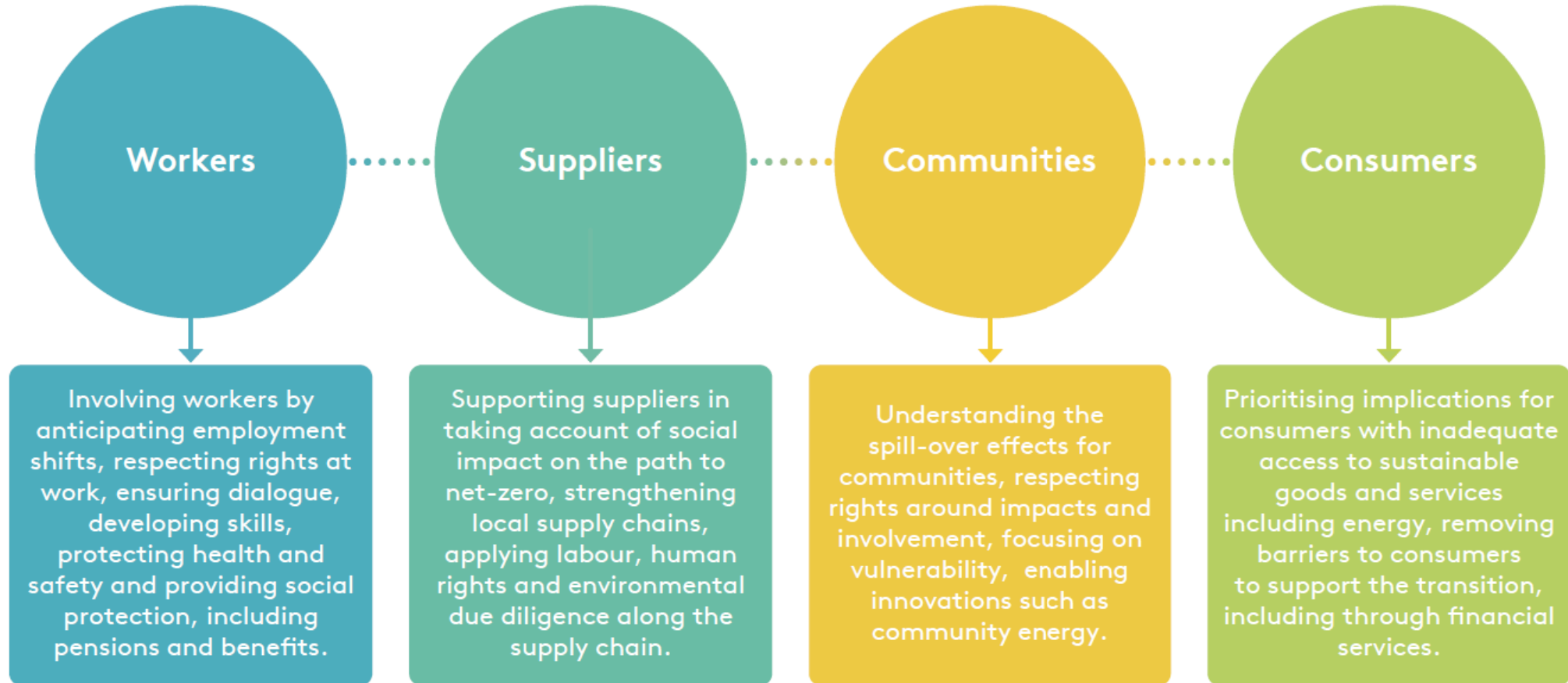
# Annex: Why the Just Transition matters

# 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.

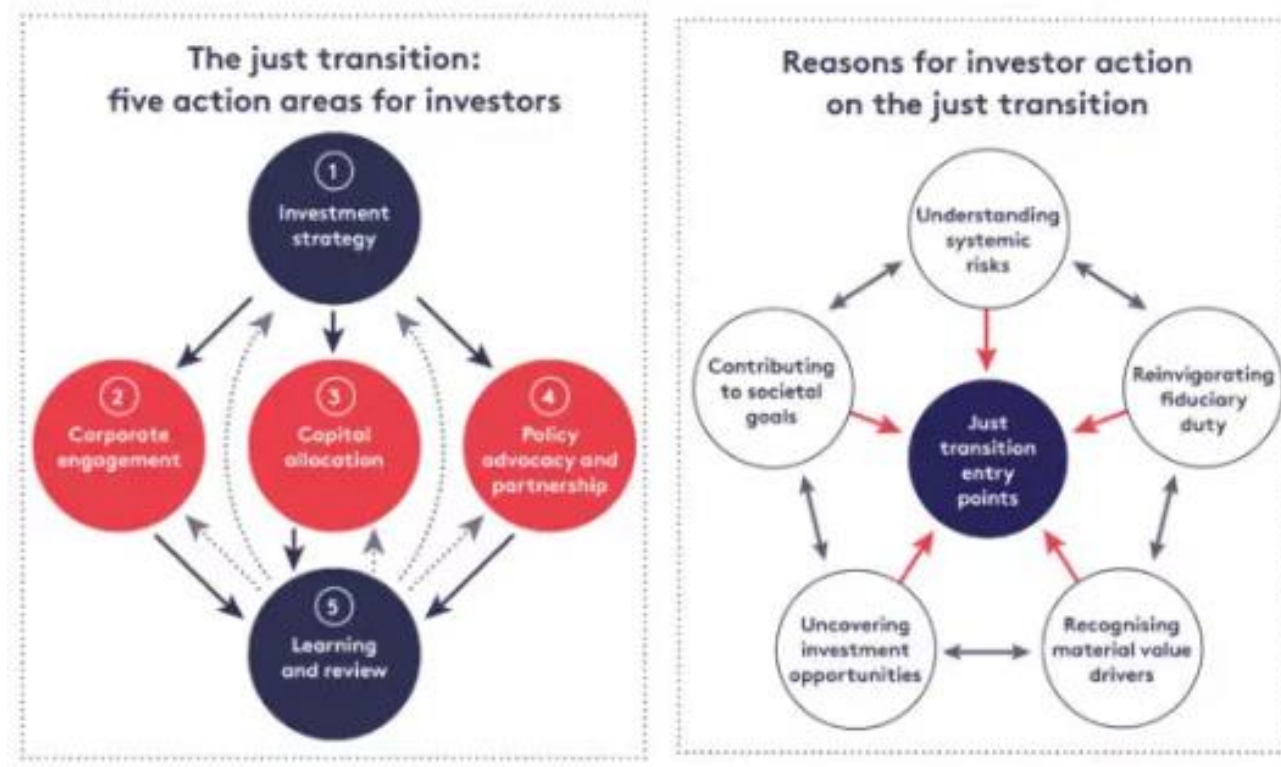
~ Nick Robins, *The Just Transition: Shaping the delivery of the Inevitable Policy Response*, Inevitable Policy Response (2022)

# 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)