

International working group on tracking progress on just transition

Purpose

The World Benchmarking Alliance (WBA) launched in November 2023 an international working group on tracking just transition progress. This working group will support the understanding and dissemination of existing methodologies and tools to track just transition progress with a focus on company action. In doing so, the aim of this working group is to provide clear guidance on how to assess the credibility of companies' just transition plans. Additionally, the working group will show how the improved monitoring and evaluation of just transition can lead to a better understanding of where just transition gaps exist and how these gaps can best be filled over time.

Benefits

The working group will delve deeper into company and sectoral just transition plans with some examples for the sectors assessed by WBA benchmarks. Building on specific case studies, it will also examine what national/regional policy frameworks are needed to support corporate action. In doing so, this working group can support the development of an overarching just transition accountability framework.

This will be particularly relevant for voluntary and mandatory climate standards and how they can better integrate just transition considerations but also for national/regional policy makers and stakeholders working on a just transition. Experts in this group will also be able to highlight how just transition policies at different levels (company, sectoral, national, regional, sub-national) interact and the impact this has on affected workers, communities and wider stakeholders. For example, there can be a misalignment between well intentioned just transition policies from governments and how these policies are actually implemented by employers in affected regions or at a subnational level.

Context

The concept of just transition was born out of the trade union movement in the 1980s. Since then, there have been an increasing amount of just transition uses amongst a wide range of practitioners in the field. This growing interest can be seen as a double edge sword. On the one hand it has put just transition on the spotlight of the international agenda. On the other, the growing use of the term can also lead to confusion about how just transition is being integrated. Acknowledging the implementation gap that exists, a number of organisations are increasingly developing tools, indicators and methodologies to track commitments made and use this tracking to drive change. The Katowice Committee of Implementation of Response measures (KCI) will also be releasing a report showcasing best practices on how to track just transition progress in collaboration with IISD, GIZ and WBA.

A number of tools and methodologies are also already available. These include at the private sector level those developed by WBA¹, Climate Action 100+, the Council for Inclusive Capitalism, Finance for

¹ To date WBA has assessed 320 companies on their just transition plans. Its assessments show that amongst its six areas of measurement (social dialogue and stakeholder engagement, planning for a just transition, green and decent job creation, retaining and re-and/or upskilling, social protection and social impact management, advocacy for policies and regulation supporting a just transition) just transition planning remains below 2% for all companies.

Tomorrow, Business for Inclusive Growth and finance tools developed by Grantham Institute and ILO. At the government level (national/subnational) a number of organisations have looked a ways to develop just transition indicators, even if to date these efforts remain more limited. This includes work conducted by IISD in Canada, from the EU Just Transition Research Centre (JRC) on indicators to measure socio-economic vulnerability to decarbonisation in EU regions, work from UNDP on just transition integration in NDCs and LTS and other work conducted at the EU territorial level from WWF to name a few. It can reasonably be expected that consultancies will increasingly also look at ways to monitor just transition progress.

Terms of Reference

Composition and role of the working group

The working group will be open to participants working on the topic of just transition and particularly on how to measure just transition integration and how this can support corporate action. It will also include a diverse range of stakeholders representing well the tripartite+ nature of just transition. This includes individuals from the following organisations: IISD, LSE Grantham Institute, Rights Colab, WWF, NRGi, We Mean Business Coalition, South Africa Presidential Climate Commission, B Team, Shift, UNEP Finance Initiative, ILO, FTQ, UNDP, Institute for Integrated Energy Systems, UCSB 2035 initiative, and IHRB amongst others. All members are participating as individual experts and do not necessarily engage with the point of view of their organisation.

Deliverables

The main expected deliverable is a guidance document/report in 2025 with case studies on how to assess the credibility of company just transition plans. This guidance document can also support ongoing discussions as part of the UN High-Level Expert Group and UNFCCC just transition work programme initiated at COP28. Depending on capacity, partners may also develop other research products (briefs, op-eds, capacity building toolkits) focused on specific aspects of just transition or to support just transition integration at a company, sectoral or regional/national/sub-national level.

Decision making

The working group will be composed of both a core group and contributing partners. The core group will be responsible for the implementation of the workplan of the group and leading the drafting of the report. In turn, contributing partners will be responsible for attending meetings, providing inputs/suggestions and edits to the final report. They will also be able to support the wider dissemination of findings from the work in their respective networks.

Meeting and duration

- One meeting every two months of 90 minutes starting late November 2023
- The working group is planned until 2025 with an extension if necessary