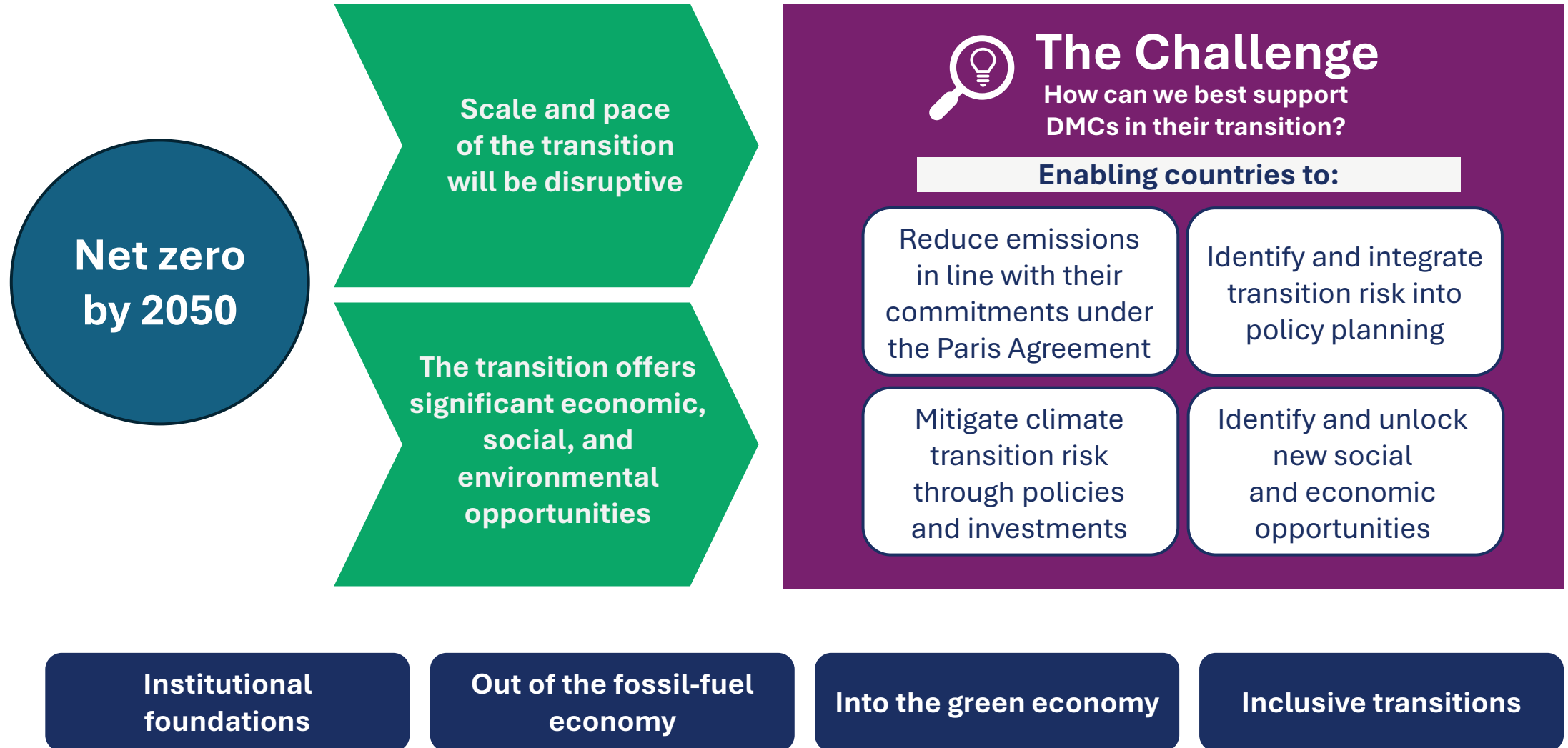


Transition as Transformation: Enabling Just Transition in DMCs

Kate Hughes

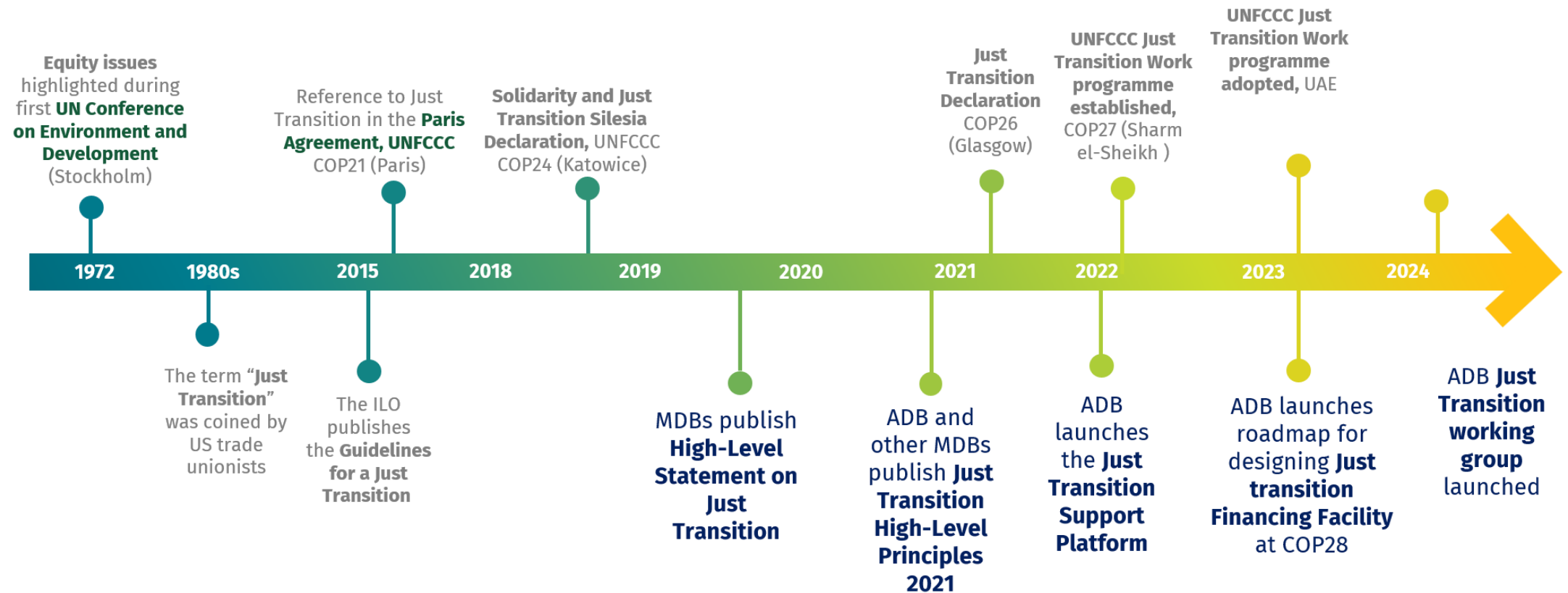


Why just transition matters in Asia and the Pacific for DMCs



Why just transition matters for MDBs

JT as enshrined in key climate frameworks & ADB related activities



Upstream support: Country planning and capacity building

Key upstream activities

Just Transition Support Platform (JTSP)

Supporting DMCs plan, finance, and implement just transition pathways through analytics, capacity building, policy support, and stakeholder engagement

Just Transition Social and Human Impact Forum (JT SHIFT)

Developing knowledge, tools, and capacity to address the social impacts of the transition and seize development opportunities

JT SOEs

Supporting SOEs in planning, integrating, and implementing just transition framework

Stakeholder Engagement and Capacity Building

Supporting governments and other stakeholders to build just-transition knowledge, strengthen institutional capacity, and enable inclusive participation in transition planning and implementation

Upstream support: Understanding and managing transition risk

Key upstream activities

A decorative illustration on the left side of the slide shows a green hill with three white wind turbines, a person standing near solar panels, and a yellow field in the foreground.

Transition risk assessments under JTSP

Identifying and assessing economy-wide transition risks across policy, technology, markets, finance, reputation, and operations to inform policy development, country strategies, and investment prioritization

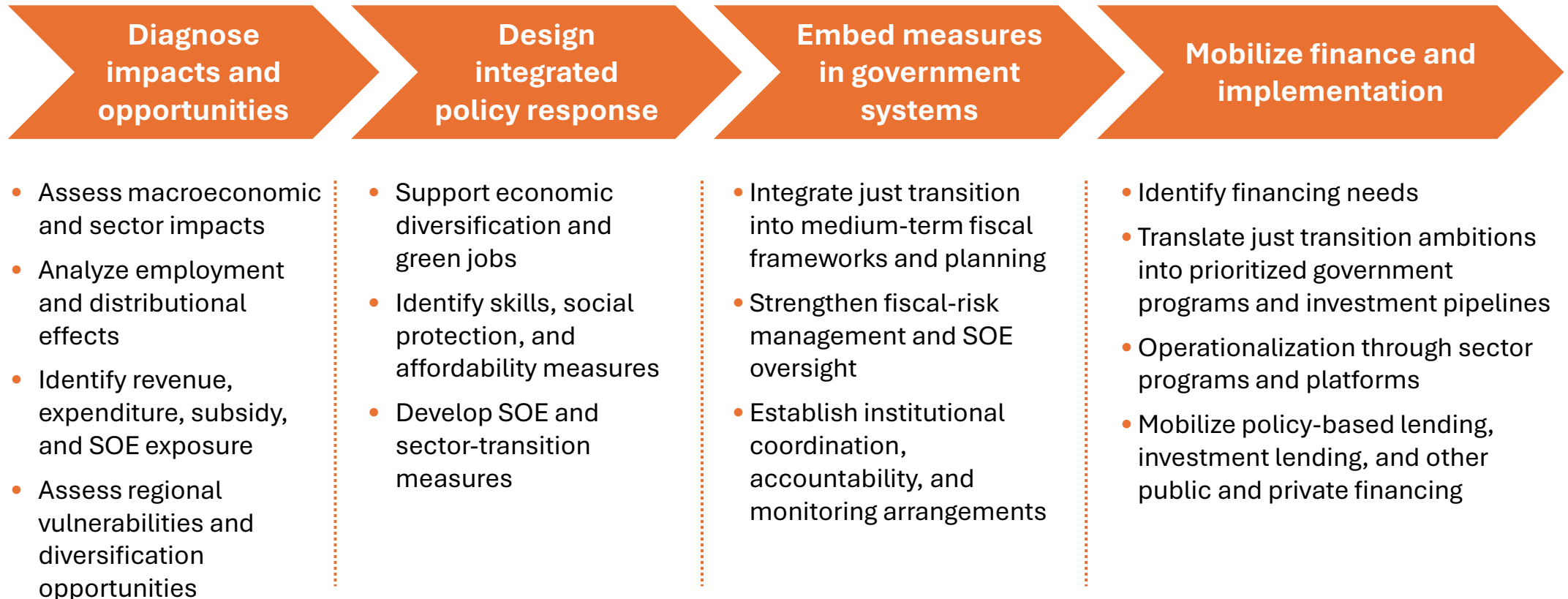
Pacific fossil fuel transition

Supporting Pacific DMCs to understand and manage the risks and opportunities of continued dependency on fossil fuels and how these change under alternative transition pathways

Midstream support: Integrating just transition into economic and fiscal planning

Key midstream activities

ADB works with ministries of finance, economic agencies, and other central institutions to integrate just transition into economic policy, fiscal planning, public investment, and financing decisions.



Downstream support: Embedding just transition into operations

Non exhaustive examples of downstream activities

Embedding just transition into energy transition

- Integrating socioeconomic assessment into project preparation
- Engaging affected workers, communities, businesses, and other stakeholders
- Identifying measures to manage adverse impacts and expand access to transition opportunities

Resilient Livelihoods and Empowerment of Rural Women in Tajikistan

- Strengthening climate-resilient agricultural skills and productivity.
- Expanding women's participation in value chains and social enterprises.
- Improving employment readiness, income, and food security for vulnerable women

Urban Resilience and Livability Improvement in Nepal

- Developing climate- and disaster-resilient municipal infrastructure.
- Strengthening capacity of communities, municipalities, and provinces
- Revitalizing tourism assets to support local economic opportunities

Financing a just transition

Instruments for financing the Just Transition

Loans

- Providing loans to public authorities, state-owned enterprises, corporates, SMEs or individuals

Equity

- Equity provided for projects, to funds or to companies.

Bonds

- Bonds (e.g. green bonds and transition bonds) issued by governments, financial institutions, or corporates to raise capital for eligible investments

Guarantees

- Guarantee products to facilitate the utilization of financial instruments

Grants as Financial Facilitation Instrument

- Grant money, which is used to provide concessional finance by reducing the interest rate on loans or direct grants as a percentage of the investment volume.

Grants for Technical Assistance

- Grant money used for technical assistance for financial institutions, other enabling institutions or directly to beneficiaries

Building the just transition ecosystem

Internal Ecosystem

ADB JT Working Group

- Brings together expertise across themes and sectors
- Identifies opportunities for integrating just transition in operations
- Promotes a shared understanding of just transition at ADB, building on MDB JT high level principles and ADB experience and perspectives

External Ecosystem

Partnerships for delivery and scale

- NDCP Steering Committee
- MDB CAG – PCCE, JT
- FF Roadmap Process
- UNFCCC – MWP, JTWP