2023 Forum of the Standing Committee on Finance: Financing Just Transitions

JUST & EQUITABLE

ADAPTATION

TRANSITION(S) FOR AFRICA

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Session 3: Integrating just transitions into national climate plans and development strategies



Mr. Kamal DJEMOUAI Advisor, Africa Adaptation Initiative

JUST TRANSITIONS IN A CHANGING CLIMATE

A just transition means equitably distributing the costs and benefits of climate action, ensuring that:

•Social dialogue and stakeholder engagement takes place among workers, employers, governments, communities and civil society.

•Affected workers and communities receive the support, social protection and investments they need to work and thrive in a zero-carbon future.

•Revenue streams that governments currently receive from fossil fuel production will be replaced in equitable ways.

•Companies create decent jobs and contribute to economic growth while taking positive action on climate change.

https://www.wri.org/just-transitions/about

For UNDP, just transition is fundamentally **about principle**, **process**, **and practice**. Implicit is the recognition that transitions can be disruptive and deliberate effort is needed to make them smooth. UNDP's framework of support therefore involves increasing country awareness of the principles of a just transition, strengthening their ability to engage in just transition processes, and developing capacity to implement just transition practices.

https://climatepromise.undp.org/research-andreports/how-just-transition-can-help-deliver-parisagreement

For ILO, just transition means **greening the economy** by simultaneously addressing the environmental, social and economic dimensions of sustainable development in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind

JUST TRANSITION FOR AFRICA

The African Development Bank Group defines the Just Transition concept as a framework for facilitating equitable access to the benefits and sharing of the costs of sustainable development that such livelihoods of all people, including the most vulnerable, are supported and enhanced as societies make the transition to low carbon and resilient economies. A Just Transition affirms Africa's right to development and industrialization based the Paris on Agreement-negotiated language of equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

https://www.afdb.org/en/topics-andsectors/initiatives-partnerships/climateinvestment-funds-cif/just-transition-initiative African countries have a chance not only to create resilience for their economies and societies, but also to advance their industrial development. To avoid disastrous consequences and seize opportunities, African countries must prioritize three actions:

•Invest massively in climate adaptation. African countries need to mobilize massive funds to build climate resilience. Collaboration with and financial support from the international community will be critical to obtaining the necessary investment.

•Build the foundation for low-carbon socioeconomic development. By leveraging new technologies and business models, African countries can chart their own low-carbon development paths optimized to the local context.

•Accelerate the creation of local green manufacturing capabilities. African countries need to harness their natural resources and local capabilities to drive the creation of localized green manufacturing hubs. Doing so can create millions of jobs and spearhead Africa's industrial development.

https://www.bcg.com/publications/2021/building-african-climateresilience-and-industry

JUST & EQUITABLE TRANSITION(S) FOR ADAPTATION

Ensuring that **adaptation is truly just and equitable** requires **recognising transboundary climate risk and building resilience on a global scale.** This involves avoiding actions that simply shift risks to other actors or reinforce existing vulnerabilities. <u>https://www.sei.org/publications/just-transition-climate-adaptation/</u>

The revised EU Adaptation strategy, which stresses the importance of achieving resilience in a just and fair way in order for adaptation benefits to be shared equitably.

Breil, M. et al. (2021) Leaving No One Behind' in Climate Resilience Policy and Practice in Europe (ETC/CCA) Technical Paper 2021/2. DOI: /10.25424/cmcc/justtrans_europe In a global and interconnected world, adapting to climate risks and impacts in a way that is just will require collaborative approaches that cross borders, where actors engage with one another to identify shared risks and potential opportunities. As businesses engaged in all sectors are exposed to climate risk, **building climate-resilient global trade and production systems is imperative for achieving a just transition.** Businesses, workers and affected communities have a shared interest to adapt collectively to climate change.

https://unglobalcompact.org/library/6099

JUST & EQUITABLE ADAPTATION TRANSITION(S) FOR AFRICA

Artificial and unhelpful boundaries have been created to **distinguish between development and climate change adaptation.** Important examples include the requirements of establishing the *climate rationale for seeking funding or making the case for climate additionality* beyond 'business-asusual' development. The climate finance architecture largely ignores the fact that **in Africa, tackling climate change and development goes hand in hand**. Another key concern is that climate finance frequently takes the form of loans requiring recipients to pay back the money with interest. This burdens African countries that are already over-indebted, and allows developed countries to evade their responsibility of shouldering the damage caused by climate change. Climate finance must align with the needs and priorities of African countries rather than of those who have been set up to manage the f low of finance.

https://issafrica.org/research/policy-brief/africas-climate-and-development-future

EXAMPLE OF AFRICA ADAPTATION TRANSITION(S) COSTS

https://www.bcg.com/publications/2021/building-african-climate-resilience-and-industry

ACTIVITIES ENGAGING AFRICA ADAPTATION TRANSITION(S)

Pan-African Program and Incubator

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- Building the capacity of National Designated Authorities (NDAs) to identify, design and develop transformational climate interventions
- Developing long-lasting capacity to catalyse implementation of adaptation actions in the agriculture and energy-for-agriculture sectors.
- 23 African NDAs funded by GCF to undertake the transition towards low emission and climate resilient development, reducing vulnerability to climate impacts whilst addressing decarbonisation needs in high-GHG emitting sectors
- South-South Peer Capacity Exchange Programme, to exchange knowledge and best practice as part of each country's National Adaptation Plan (NAP) processes, as well as initiating a peer-to-peer technical capacity exchange on adaptation
- Africa Adaptation for Agriculture initiative

INITIATIVE ENGAGING AFRICA ADAPTATION

TOWARDS A JUST TRANSITION(S)

Enhancing action on adaptation in Africa

Africa Adaptation Initiative (AAI) aims to strengthen collaboration on adaptation across the continent through highlevel pan-African and regional dialogues, adaptation action on the ground, and addressing the adaptation financing gap.

AFRICA ADAPTATION INITIATIVE

In 2015, the 25th African Union Summit provided a mandate to the African Ministerial Conference on Environment (AMCEN) to develop a proposal for enhancing support to Africa on adaptation together with the African Group of Negotiators. As a result, in December 2015, African Heads of States launched the AAI at the COP21 in Paris.

AAI is engaged with all African countries to develop and implement adaptation and resilience projects' and activities' that will put Africa on the right track for the needed just transition.

There are initiatives that focuses on just transition in Africa with **AAI** taking the lead on their adaptation element, such the **Decent Life for Africa Initiative** launched at COP27.