Fourth dialogue under the UAE Just Transition Work Programme

Just energy transition pathways and holistic approaches to just transitions including socioeconomic, workforce, social protection and other dimensions, based on nationally defined development priorities

September 1-2, 2025 – Addis Ababa/virtual participation

Overarching key messages

- The EU strongly welcomes the priorities set out by the UN Secretary-General in his 22 July remarks on supercharging the clean energy age. They are fully aligned with the EU's approach to energy security and the just transition. The call for equity, dignity, and opportunity for all resonates with the EU's own commitment to ensure that no one is left behind in the transition. Support, education and training for workers, women, youth and Indigenous communities are central to our social policies and Just Transition Mechanism.
- Ambitious climate action and implementation are needed more than ever in this critical decade. This requires a truly systemic transformation towards a decarbonized economy, with competitive sustainable industries and a just and inclusive transition within planetary boundaries, leaving no one behind.
- The energy supply sector, on average, accounts for 34% of global net anthropogenic greenhouse gas (GHG) emissions.[1] However, if emissions from energy combustion/use in energy consuming sectors are included, the energy sector accounts for about 75% of GHG emissions, with 29,9% of all emissions attributed to electricity and heat, 13.7% from manufacturing and construction and 6,6% from buildings.[2] In 2024, total energy-related CO2 emissions increased by 0.8%, hitting an all-time high.[3]
- Thus, the extent of areas, subsectors and dimensions to be covered under "just energy transition" is particularly broad, as energy underpins the functioning of (almost) all sectors of the economy and of societies.
- Given their primary role in achieving a just transition to net zero and climate resilient societies, and given their society- and economy-wide multiplier effects, energy systems are the most urgent to decarbonize. There literally is no just transition without transforming our energy systems, that is the way we produce, distribute and consume energy. Stakes are especially high for the workers, people and communities whose income and livelihoods depend on fossil fuels directly or indirectly.

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[1] https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SummaryForPolicymakers.pdf

[2] https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

[3] https://www.iea.org/reports/global-energy-review-2025/co2-emissions

- The JTWP is a key element in this context as it can help identify and foster just transition approaches at the sectoral level that can dismantle barriers, reduce inequalities between individuals and social groups, unlock social and economic co-benefits, and catalyse ambition.

Intervention regarding the change in format of the dialogue

We don't want to make all of us lose precious time on the important substantial discussions we need to have during this dialogue. Of course this is a party-driven process. However, we are a little bit astonished about this change in the format of this first morning session, apparently due to concerns raised by different groups. We have had fruitful discussions during world café roundtables in the last three dialogues as they allow deeper, more meaningful and interactive technical exchanges that are needed on the different elements of the scope. Moreover, we can't recall hearing such concerns about the format during the HoDs consultations in July. That being said, again, for the sake of time and in a spirit of compromise and constructive engagement, let's start the substantial discussions in the new format suggested by the Secretariat.

Understanding the holistic and multisectoral nature of just transitions: socioeconomic, workforce, social protection and other dimensions underpinning nationally defined just energy transition pathways

Theme 1: Nationally defined just energy transition pathways as a tool to enhance energy access and affordability

Key messages:

- As agreed as an outcome of the first global stocktake, energy systems must be decarbonized urgently, and in a way that achieves a just transition to net zero and climate resilient societies. There can be no just transition without transforming the way we produce, distribute and consume energy.
- In its paragraph 28, the GST outcome not only recognized this necessity but also called for **global efforts to keep 1.5°C within reach** and to guide a just, orderly and equitable transition. These include: **tripling** global renewable energy capacities, **doubling** the global average annual rate of energy efficiency improvements by 2030, **transition away** from fossil fuels, rapidly scaling up zero- and low-emission technologies and **phasing out inefficient fossil fuel subsidies** that do not address energy poverty or just transitions, as soon as possible.
- Achieving a just energy transition requires **addressing the impacts** of the decarbonization of energy systems on consumers, employees, employers, and communities, and guiding a fair and inclusive transformation across different subsectors and industries while **reaping the**

many benefits provided by more affordable clean energy technologies and renewables, such as sustainable local electricity generation, access to clean and affordable energy, improvement of human and environmental health through reduced air pollution.

- Energy is central to the EU's transition towards climate neutrality by 2050, in line with the European Green Deal. As the biggest source of greenhouse gas emissions in the EU, the energy sector is undergoing a profound transformation on the path to a net-zero economy. The shift to a more sustainable energy system entails **switching from fossil fuels to low-carbon and renewable energy sources, improving energy efficiency** in products, industry and buildings, and creating a more sustainable energy system based on clean technologies.
- The EU has embarked on an ambitious agenda to implement the energy transition. EU legislation sets targets for renewables in consumption, energy efficiency and building renovations. It also fosters sustainable transport, energy labelling of products, and clean technologies. The **energy union** and **climate action governance framework** includes long-term national energy and climate plans prepared by all EU countries to enhance their contribution to EU energy and climate objectives.
- The Council Recommendation on ensuring a fair transition towards climate neutrality recalls the vital role social partners in addressing, through dialogue, the employment and social consequences of the challenges of the green transition. The 2025 **Clean Industrial Deal** also emphasizes the importance of **social dialogue** in developing employment policies related to the climate transition that contributes to the competitiveness of European industries. Besides access to training, it underlines the need for decent working conditions, high standards for health and safety, ensuring fair job transitions, and collective bargaining,
- To be truly fair and inclusive, a just (energy) transition should include **human rights-based, intersectional and gender-transformative approaches**. Such approaches integrate the challenges and needs of women and those facing multiple and intersecting forms of discrimination in their just transition while also valuing the role, knowledge and leadership of these groups in fostering a just transition. Moreover, these approaches put **social protection,** care – including the role and revaluing of paid and unpaid care work – and wellbeing at the centre, as well as the respect, promotion and fulfilment of all human rights, including, but not limited to the right to health, the right to a clean, healthy and sustainable environment, equality and non-discrimination, intergenerational equity, labour rights and decent work, promoting inclusion and equality.
- Such inclusive approaches help **build social trust** and ensure the broad support required for the transition to climate resilient societies. Moreover, **drawing upon Indigenous and local knowledge** can contribute to overcoming the combined challenges of climate change, food security, biodiversity conservation and combatting desertification and land degradation.

Guiding questions:

1. *How can nationally defined just energy transition pathways and holistic and multisectoral approaches to just transitions be designed to advance the implementation of the goals of the Paris Agreement and expand access to affordable, reliable, and sustainable energy for all, particularly in addressing persistent energy poverty and inequalities in access?*

   - In 2019, the European Commission adopted a long-term vision – the **European Green Deal** – with the aim of achieving climate neutrality by 2050. The European Climate Law, passed in 2021, enshrined in EU legislation the target of climate neutrality by 2050 (i.e. net-zero greenhouse gas emissions), along with an intermediate target of reducing net emissions by 55% by 2030, compared with 1990 levels. The Green Deal invests in and promotes innovation, clean technology, and green infrastructure while ensuring a just transition for the communities most affected. Thanks to the European Green Deal, people and communities in the EU enjoy cleaner air and more energy efficient products and homes. They are also drawing on more renewable energy sources to power their lives.

   - EU's '**Fit for 55**' package (referring to the goal of a 55 % emissions reduction by 2030) includes several energy-related pieces of legislation the Renewable Energy Directive (RED), the Energy Efficiency Directive (EED), the Energy Performance of Buildings Directive (EPBD), the Energy Taxation Directive and the gas and hydrogen package. It aims to have a sustainable building stock by 2050. A relevant EU-wide 2030/2033 intermediate target is to improve the energy label of the least energy efficient buildings, ensuring that energy will become more affordable for vulnerable households that tend to live in houses with a low energy label.

   - To tackle **energy poverty**[4]**,** vulnerable consumers — including low-income households struggling to survive because of current high energy prices — should be sufficiently supported, to **shield them from energy poverty**. **Targeted support** can mitigate the worst social and economic impacts of the crisis while prices remain high. EU Member States are advised to target support measures at vulnerable consumers, including low-income households. Direct income support is preferred over price-distorting interventions, as it maintains the price signal for energy savings and investments in renewables. While social tariffs or temporary direct income support can provide immediate relief to households facing energy poverty in the short term, only targeted structural measures, in particular building renovations, including through access to energy from renewable sources incl. awareness-raising measures targeted at households, and building renovations can provide lasting solutions and effectively help combat energy poverty.

[4] Energy poverty is a situation in which households are unable to access essential energy services that underpin a decent standard of living and health, such as adequate warmth through heating, cooling, as temperatures rise, lighting, and energy to power appliances.

EU & MS examples/best practices:

- **EU – Energy Poverty Advisory Hub (EPAH)** is the leading EU initiative on local action against energy poverty. It provides online guidance and knowledge products for local and regional authorities on diagnosing, measuring and planning actions to tackle energy poverty. Its resources include publications, an interactive database of projects and measures addressing energy poverty and a range of relevant courses. Local governments can also apply to calls for technical assistance to directly assist them in taking action on energy poverty.
- **Housing benefits – Germany:** To compensate for growing energy and housing costs in Germany, the government has introduced a package of support mechanisms that aim to relief vulnerable groups from higher costs. The state provides housing benefits to low-income households to cover parts of the rent and electricity bill. The allowances have been increased by 10% to cushion recipients of housing benefits from rising energy prices as part of the German Climate Action Programme 2030.
- **Housing allowances – Latvia:** To compensate for growing energy and housing costs in Latvia, municipalities provide housing allowances to cover heating and electricity bills to low-income households. In addition, eligible citizens can apply to reduced electricity prices under the "support for electricity bills" scheme. This mainly applies to large families, pensioners, households with disabled family members or households with low incomes.

2. *What policies, financing mechanisms and approaches could be most effective in ensuring universal access to clean cooking solutions, including through the development of innovative and fair financial and technological solutions to increase access, while safeguarding vulnerable communities from the social and economic risks of energy transitions?*
    - The EU recognizes that universal access to clean cooking solutions is a cornerstone of just energy transitions, delivering health, gender equality, environmental, and climate benefits. Innovative policy frameworks, financing mechanisms, and technology deployment must ensure equitable access, while safeguarding vulnerable communities from economic and social risks.
    - The EU encourages the development of **integrated national policies** that link energy access, climate action, and social protection. Policies should prioritize clean cooking solutions, such as efficient biomass stoves, LPG, biogas, and electricity-based systems, especially in rural and underserved communities. EU initiatives like the Global Gateway and EU External Investment Plan (EIP) demonstrate how policies can align energy access, gender equality, and climate objectives.
    - Affordable access requires **innovative financing**, including blended finance, microcredit, pay-as-you-go models, and concessional loans. EU support through the Neighbourhood, Development, and International Cooperation Instrument (NDICI), Green Climate Fund (GCF) partnerships, and MDB collaboration helps mobilize public and

private capital to scale clean cooking solutions while protecting vulnerable households from financial burdens.

- **Partnerships** between governments, development banks, and the private sector can accelerate technology deployment and distribution. EU-backed PPPs facilitate local manufacturing, supply chain development, and maintenance services for clean cookstoves, ensuring that solutions are affordable, reliable, and context-appropriate.
- **Investments in innovation, digital platforms, and localized technology solutions** increase efficiency and affordability. The EU supports knowledge-sharing platforms, e.g., Horizon Europe energy innovation projects, to transfer best practices and facilitate local adaptation of clean cooking technologies.
- Energy transition policies must **protect vulnerable communities**. Social safeguards, such as targeted subsidies, gender-sensitive programming, and capacity-building, ensure that low-income households and women – who disproportionately bear the burden of traditional cooking fuels – benefit equitably. The EU's Energy for All approaches and Just Transition Mechanism integrate social protection with energy access.
- Effectiveness requires **monitoring, evaluation, and adaptive management**. EU-supported programs employ results-based financing and impact assessment to ensure that clean cooking adoption, health benefits, and climate impacts are tracked, guaranteeing both efficiency and inclusivity.

3. *How could renewable energy deployment and energy efficiency be upscaled through nationally determined just energy transition pathways and harnessed to improve energy access and affordability, empowering local communities and ensuring that benefits are equitably shared across different social groups, including women, youth, and marginalized populations?*

    - Power generation could decarbonise much faster with scaled up deployment of renewable energy and storage. Both technologies are mature, available, and fast decreasing in costs, more than for many other mitigation options. The energy transition has reached its "positive tipping points" and we should further build on this.
    - The JTWP should encourage the design of just transition policies and regulation based on the common understanding that mitigation actions in the energy sector, for instance through deploying of solar and wind generation, are technically available and economically competitive over the project lifespan, and therefore should be the first choice when adding new generation capacity and to replace fossil fuel-based capacity.
    - As part of the **Clean Industrial Deal, launched earlier this year, the Commission presented an Affordable Energy Action Plan** to lower energy bills for industries, businesses and households, while promoting the transition to a low-carbon economy by:
        - speeding up the roll-out of clean energy, accelerating electrification
        - completing the internal energy market with physical interconnections (i.e. the "Energy Union")

- using energy more efficiently and cut dependence on imported fossil fuels.

The Action Plan includes 8 actions among which:

- Making electricity bills more affordable by putting forward a methodology to ensure that network charges **incentivise the most efficient use of the grid**, lowering energy system costs and total new grid investment needs, and lowering national taxes on green electricity.
- Increasing energy efficiency - delivering energy savings, to help avoid high energy bills. The Commission will **support market actors who provide energy efficiency solutions for businesses** through the European Energy Efficiency Financing Coalition and update its rules on energy labelling and ecodesign for products .
- Developing a **tripartite contract** to ensure affordable energy for Europe's industry that brings together the public sector, energy producers, and energy-consuming industries to create a favourable investment climate, facilitating a competitive EU industrial sector, while ensuring the retention and creation of quality jobs.

4. *How can subsidies be (re)designed to best support nationally defined just energy transition pathways through supporting enhanced energy access, scaled-up deployment of renewable energy, energy efficiency, clean cooking solutions, and other measures, including through phasing out inefficient fossil fuel subsidies that do not address energy poverty or just transitions?*

- Phasing out fossil fuel subsidies that do not address energy poverty or just transition without delay is an important enabling condition to reach a just and inclusive transition to net zero and climate resilient societies, that limits global warming to 1.5 degrees. According to the IPCC Sixth Assessment Report (AR6, 2022) and the IEA World Energy Outlook (2023), such subsidies **lock in** carbon-intensive infrastructure (stranded assets), hinder decarbonization, and divert public resources away from clean energy deployment. Additionally, it creates a **level playing for the renewable energy sector to grow further, providing equal opportunities**.
- **Reforming and repurposing** subsidies could offer substantial environmental benefits. It has been estimated that reforming fossil fuel subsidies by 2025 would reduce CO2 emissions by an average of 6 per cent by 2030. Reinvesting just a third of these savings into energy efficiency and renewable energy could lead to an additional 3 per cent reduction in CO2 emissions. Improving understanding of the environmental impacts of existing subsidies could help to identify the priorities for reform.[5]

[5] https://www.wto.org/english/res_e/booksp_e/tptforclimataction_e.pdf

- Repurposing environmentally harmful and market-distorting subsidies can be a win-win for people and the environment.

Examples at EU & EU MS level and international level:

- The **Fossil Fuel Subsidy Reform initiative underway at the WTO** is focusing their work on the comprehensive benefits — spanning trade, economy, society and the environment — of addressing fossil fuel subsidies and reallocating government funds towards green, climate-resilient projects. The participating members have called for enhanced transparency on fossil fuel subsidies and for balancing developmental and social considerations during the reform of these subsidies.
- EU experience through state aid guidelines and the EU **Green Deal's Energy Taxation Directive** demonstrates how subsidy reform can redirect financing to sustainable, socially equitable energy solutions. The Directive sets the framework for the taxation of energy products and electricity across the EU, aiming to promote energy efficiency, reduce greenhouse gas emissions, and remove distortions caused by inconsistent national energy taxes. It establishes minimum tax rates for fuels and electricity, while allowing Member States flexibility to design progressive or targeted tax structures that can incentivize renewable energy use, energy savings, and cleaner technologies. The revised ETD is central to the EU's just transition strategy, as it aligns fiscal instruments with climate objectives, encourages the phasing out of fossil fuel subsidies, and ensures that the social and economic impacts on vulnerable households are mitigated through complementary measures.

Theme 2: Socioeconomic risks and opportunities associated with energy transition pathways

Key messages:

- Each country and region faces different socio-economic effects, challenges and opportunities when it comes to this just energy transition. However, central to the just energy transition is ensuring **fairness and inclusion for all**, particularly for those in the extractive sectors, energy supply sector and fossil fuel intensive sectors who are at risk of losing jobs and income, and for vulnerable communities who could temporarily face rising living costs and a higher risk of energy poverty.
- We must **prevent the generation of new, or the reinforcement of current inequalities** between individuals and social groups, thereby fostering wider acceptance and support of climate policies. A successful energy transition is therefore a **people- and community-centric** transition.
- If managed well, the energy transition will bring **many opportunities and benefits** to people in communities. A just energy transition is precisely one that creates quality jobs and enhances affordable and clean energy access for all, including through ensuring clean, open, resilient and fair energy value chains, while increasing other health and environmental co-benefits.

Guiding questions:

1. *How can nationally defined just energy transition pathways be designed to maximize opportunities associated with workforce transitions, including through the reskilling and upskilling of workers, while ensuring a fair transition for informal workers who may lack access to formal protections? What could be the role of the private sector, including micro, small and medium enterprises, in this context?*
    - **Access to quality and inclusive education, training and life-long learning for all** is essential for ensuring that the workforce has the skills required to deliver on the green transition. Fair transition aspects should thus be integrated in the development and implementation of national skills strategies. Up-to-date **labour market and skills intelligence and foresight**, including at regional, sectoral and occupational levels, allow for the identification and forecasting of relevant occupation-specific and transversal skills needs, including as a basis for adapting curricula to meet the skills needs for the green transition. Vocational education and training should equip young people and adults, with a particular focus on women and low-skilled workers, with the skills needed to master the green transition.
    - **Active support to quality employment** should focus on helping workers, job seekers, people not in employment, education or training (NEETs) and the self-employed most affected by the green transition. In particular, under-represented people such as women, low-skilled workers, persons with disabilities, older people or people with comparatively low capacities to adapt to changes in the labour market require support to improve their employability and for finding employment.
    - Policy packages should thus include **tailored measures to support hiring and transition incentives, support for entrepreneurship**, in particular for women or persons with disabilities, and quality job creation measures, in particular for micro, small and medium-sized enterprises and in most affected territories. Such measures can also be instrumental in addressing challenges for the labour market. They should also foster the effective implementation and enforcement of existing rules on working conditions and support for socially responsible restructuring in line with existing rules and labour standards. Social partners have a vital role to play in contributing to addressing, through social dialogue, the employment and social consequences of the challenges of the green transition.
    - **Role of businesses** in supporting a just energy transition of the workforce:
        - Businesses are critical actors for **investments in innovation** and are a **significant source of employment.**
        - In decarbonizing our economy and transitioning to net-zero, regions, sectors and companies are affected differently. Transition plans with **strategic skills and jobs planning** must therefore be tailored to every company, region and sector taking into account the adverse social impacts of the transition away from a carbon intensive economy. Businesses have a role to play in mitigating the employment impacts

through worker retention, retraining, redeployment and contributing to the social protection of their employees.

- The growth in new technologies and sustainable supply chains will require growth in skills and skilled workers. Therefore, ensuring a sufficient supply of the relevant skills in the labour market will be a major challenge for businesses and employers as the emergence of completely new job profiles will urge them to massively step up training programmes. In addition, businesses are a crucial partner in the i**dentification of new job profiles, skill sets, skill gaps**. Therefore, **cooperation between businesses, public authorities, employment services, education and training providers and social partners** on jobs and skills needs for the labour market is essential.

Examples at EU & EU MS level:

- **Sectoral Skills Centres – Poland**: In Poland, 120 Sectoral Skills Centres are being developed which will cover industries related to the green transition, such as various types of renewable energy, environmental protection, environmental engineering, and waste management. The centres will provide space for innovative and lasting cooperation between business and vocational education at all levels and will contribute to ensuring the provision of qualified personnel responding to the needs of the modern economy in all sectors of industry. They will also develop opportunities for people with disabilities to access suitable training paths that will enable them to enter employment in such industries.
- **National foresight on skills and training – Finland:** Finland has a highly developed national foresight system, and training programmes related to the green transition have been implemented in several sectors, including logistics, construction, earthworks, maritime industry, bioeconomy, tourism and catering, and energy production. Examples of training: Sun panel installer, photovoltaic installer, circular economy expert, low-carbon expert, recruitment training in water services, business security expert, sustainable development manager and expert, climate change expert, electric bike mechanism, from peat to wood drivers. New openings: Hydrology (e.g., water purification techs) and offshore wind construction.
- **Territorial Just Transition Plans – Italy:** Italy has developed its territorial just transition plan that encourages economic diversification and job creation in green sectors, including renewable energy, in Taranto (Puglia) and Sulcis Iglesiente (Sardinia).
  The first one houses Europe's largest steel mill (Acciaierie d'Italia, formerly Ilva), which largely conditions the transition in the area. For the transformation of steel production, the JTM will support the construction of wind turbines, the development of green hydrogen and the production of geothermal plants for buildings in the province which will all ensure the availability of renewable energy for economic and residential activities at affordable prices. Moreover, as one third of industrial workers in the province of Taranto are employed in the steel sector, the plan will support the retention of 4,300 workers with

a view to re-employing them in green jobs related to the clean energy transition and the circular economy. It will also strengthen care services in order to unlock the potential of women currently excluded from the labour market and ensure care for the most vulnerable.

The last Italian coal mine used to be based in Sulcis Iglesiente, which has a strong potential to produce renewable energy. Italy is committed to phasing out coal-fired electricity generation by 2025, so, in order to stimulate economic diversification and reducing energy poverty, the plan aims to create renewable energy communities. Major recipients of these measures will be small and medium enterprises that will be supported by projects concerning research, innovation and technology transfer.

To this aim, the Just Transition Plan will help 2,250 workers get new skills through training and strengthen support for jobseekers and services dedicated to setting up new businesses.

2. *How can social protection systems be strengthened or adapted to address the socioeconomic risks faced by workers and communities affected by energy transition pathways?*
   - Social protection systems, including social inclusion policies, need to be reviewed and, where applicable, **adapted in light of the green transition**, in particular to provide for income security, notably during job-to-job transition. Adequate access to social, healthcare and other essential services are key to prevent unemployment and social exclusion in particular in areas most affected by the energy transition including rural, remote and outermost regions.
   - **Tax-benefit systems and social protection systems should be examined against the specific needs stemming from the energy transition**, and the imperative that accompanying policies do not create barriers for the energy transition, such as introducing subsidies to fossil fuels consumption, locking in consumers to a specific technology, decreasing incentives for building renovations and thermal energy system substitutions or general energy efficiency measures.
   - Social protection systems should be leveraged to **enhance targeting of vulnerable groups** to leave no one behind during transition processes, making use of existing social registries to channel support faster and more efficiently to those most affected by climate risk. **Including social protection in national climate policies and commitments** such as NDCs can help secure financing and guide the design and implementation of policies towards a just energy transition.
   - Much work has been done by for instance MDBs, but also by countries themselves, on the development of robust social protection mechanisms.

   Examples at EU & EU MS level:

   - **Fostering job-to-job and labour market transitions – Estonia:**

In Estonia, job-to-job transition allowance (funded by the EU Just Transition Fund) will be introduced in 2024 to smoothen the job transition of the oil-shale workers into other sectors. The allowance will be paid to dismissed workers who are ready to accept a new job in a different sector within a short period of time (within 100 days of qualifying for unemployment insurance benefit). The aim is to reduce disincentives to work related to specificities of regional labour market including low average wage and avoid long-term unemployment. The allowance is paid for 6 to 12 months, in an amount of 30% of worker's previous earnings in oil-shale sector.

- **Project for the Social dimension of the ecological transition – France**: the project is funded by France and led by the ILO for a period of 51 months aims to support a just ecological transition, particularly in Ivory Coast, Senegal and Nigeria. Efforts are focused on strengthening social dialogue, developing research capacity for policy evaluation and supporting the development of just transition policies, with the aim of promoting employment and social inclusion while mitigating the impacts of climate change. Faced with the challenges of sustainable development in Africa, the project aims to achieve economic diversification, the creation of sustainable jobs and greater resilience to environmental and economic shocks, by integrating appropriate social protection measures. A mid-term evaluation highlighted the lessons learned and best practices of the project and provided recommendations.

3. *How can just energy transition pathways be designed to maximize health and environmental cobenefits, and how can these benefits be equitably distributed across society?*
    - IPCC AR6 Synthesis Report[6] clearly states that deep, rapid and sustained mitigation and accelerated implementation of adaptation actions in this decade would reduce projected losses and damages for humans and ecosystems, and deliver many co-benefits. More particularly, many mitigation actions can have benefits for health through **lower air pollution, active mobility (e.g., walking, cycling), and shifts to sustainable healthy diets**. **Strong, rapid and sustained reductions in methane emissions** can limit near-term warming and improve air quality by reducing global surface ozone.
    - IPCC AR6 synthesis report also highlights that the global **economic and social benefit of limiting global warming to 1.5°C exceeds the cost of mitigation action**. **More rapid[7] mitigation with emissions peaking earlier** increases co-benefits and reduces feasibility risks and costs in the long-term. A study shows that, for the EU27 as a whole, the benefits of ramping up and accelerating climate action by implementing a 1.5°C-aligned pathway significantly outweigh the costs by a factor ranging between 1.4 and 4 to 1, illustrating an unequivocal rationale for taking action. Similar estimates are found by a report of the

[6] https://www.ipcc.ch/report/sixth-assessment-report-cycle/
[7] https://caneurope.org/content/uploads/2024/01/CAN-Europe-co-benefits-of-climate-action_REPORT.pdf

WWF[8], as well as a study conducted by the OECD on the economic costs of inaction and the related expenditure arising from climate change.[9]

- A 2023 UN report also shows that **advancing the implementation of the Paris Agreement together with the 2030 Agenda for Sustainable Development** simultaneously has significant co-benefits for both agendas, which far outweighs trade-offs.[10]
- Co-benefits have, of course, appeal in themselves but equally important, scientific studies[11] have shown that they can motivate action on climate change by **increasing social acceptance across ideological divides** on climate change importance, thereby **enabling higher ambition and accelerated implementation**. It is essential to **better communicate** on such co-benefits, especially in a social and political environment where false climate skepticism and climate 'delayism' are often supported by fake news and disinformation campaigns. Communicating the co-benefits of addressing climate change can provide a way to foster action from the general public, and thereby influence government action, even among those unconvinced or unconcerned about climate change.[12] In particular, exploring and building awareness about **co-benefits of transitioning away from fossil fuels** in energy systems, in line with pathways warming to less than 1.5°C, is essential.
- Crucially, addressing co-benefits requires **including co-benefits in policy design and decisionmaking, particularly as part of the NDCs**. Considering the various co-benefits of climate action and linking them to wider issues that the general public, civil society and private actors are concerned about can help policymakers to design decarbonisation policies that deliver broader benefits that the general public values, increase public support, and ultimately, ensure the success of ambition climate action for accelerated emissions reduction.[13] It is important that no one is left behind during the transition to a net zero and climate resilient society, and that the transition will contribute to promoting equal opportunities and reducing inequalities between social groups and to ensuring that the costs and benefits of the transition are spread fairly within each Party.

4. *What are the key social and economic considerations related to the extraction and use of critical minerals for clean energy technologies, and how can policies ensure that their*

[8] https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf

[9] https://www.oecd.org/env/the-economic-consequences-of-climate-change-9789264235410-en.htm

[10] https://sdgs.un.org/sites/default/files/2023-09/UN%20Climate%20SDG%20Synergies%20Report-091223B.pdf

[11] For instance: https://www.nature.com/articles/nclimate2814, https://www.thelancet.com/journals/lanplh/article/PIIS2542- 5196(20)30167-4/fulltext#seccestitle150

[12] https://www.nature.com/articles/nclimate2814

[13] https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(20)30167-4/fulltext

development supports sustainable livelihoods, protects workers, and avoids exacerbating existing or creating new forms of vulnerability?

- It is crucial we recognize the **importance** of critical minerals and critical raw materials (CRM) **for net-zero energy technologies** and recall their vital role **in achieving decarbonization targets set globally**. We therefore also need to ensure the implementation and development of **international partnerships promote supply chain diversification, transparency and traceability, sustainability and responsible sourcing, resource efficiency and circular economy, local value creation, collaborative approaches** to voluntary stockpiling, **tackling market distortions, promoting free and fair trade**, and above all, **ensuring that supply chains are in place to keep the world on path to a net-zero future** guaranteeing the continuity of their supplies to protect the decarbonization path at global level.
- In the context of the just transition, the **creation of decent work and quality jobs, adequate social protection for workers and local value creation**, also considering the informal economy, are key across critical minerals supply chains.
- The **recycling** of raw materials must be promoted and a strong secondary market enabled. This will be achieved by encouraging the recovery of critical raw materials from extractive waste facilities and increasing efforts to mitigate adverse impacts with respect to labour rights, human rights and environmental protection. **Certification schemes** to increase the sustainability of critical raw materials must also be recognized.

Examples at EU level:

- The **communication from the Commission of 23 February 2022 on decent work worldwide for a global just transition and a sustainable recovery** puts the promotion of decent work worldwide at the heart of a just and inclusive transition. The EU promotes decent work across all sectors and policy areas in line with a comprehensive approach that addresses workers in domestic markets, in third countries and in global supply chains. The Communication sets out upcoming and existing EU tools in four areas: 1) EU policies and initiatives with outreach beyond the EU; 2) EU bilateral and regional relations; 3) EU in international and multilateral fora; 4) Engagement with stakeholders and in global partnerships.
- **EU's Corporate Sustainability Due Diligence directive (CSDDD)** that entered into force in July 2024 is an important step towards introducing obligations for large companies to **identify, prevent, mitigate and account for actual and potential adverse impacts** on human rights, including labour rights, and on the climate and the environment in their own operations along global supply chains, in accordance with international human and labour rights standards. Depending on circumstances, companies may need to **consider additional standards depending on specific contexts or intersecting factors**, including among others, gender, age, race, ethnicity, class, caste, education, migration status, disability, as well as social and economic status, as part of a gender- and culturally

responsive approach to due diligence. Companies should pay special attention to any particular adverse impacts on individuals and communities most vulnerable to the transition, including Indigenous Peoples and Local Communities. In addition, the Directive sets out an **obligation for large companies to adopt and put into effect a transition plan for climate change mitigation** which aims **to ensure that the business model and strategy of the company are compatible with the transition to a net-zero economy by 2050 and with the limiting of global warming to 1,5° C** in line with the Paris Agreement. These obligations **apply to companies in the critical minerals sector.** The CSDDD identifies the raw materials chain of activities as potentially impacting human rights and the environment. Consequently, **due diligence requirements** apply to all stages of the raw materials chain of activities, from upstream (i.e., exploration and extraction/mining) to downstream (i.e., manufacturing and distribution companies). Compliance with the CSDD Directive is referred to in the **Critical Raw Materials Act**.

- **Mineral Security Partnership Forum (MSP):** The Minerals Security Partnership (MSP) Forum, inaugurated by the European Commission in April 2024, is a multilateral cooperation platform bringing together 15 MSP Partners and another 15 critical mineral-producing and -consuming countries at various stages of development, with a focus on both advancing and accelerating individual projects and promoting policies that contribute to responsible, diverse, and resilient value chains with **local value-addition at the centre**. The MSP Forum has two main components:
    a. A project group that focuses on supporting and accelerating individual critical mineral projects, and;
    b. a policy dialogue group addressing key policy issues linked to the secure and sustainable supply of critical minerals. In particular, the discussions will focus initially on two main workstreams, the first one dealing with policies to boost public-private investments in critical minerals including a **trade-friendly local-value addition agenda in producing countries**, and the second one with the **key opportunities and challenges arising from the application of high Environmental, Social, and Governance (ESG) standards**.

Theme 3: Energy security in the context of just energy transition pathways

Guiding questions:

1. *How can nationally defined just energy transition pathways strengthen energy security and reliability while accelerating efforts globally towards net zero emission energy systems?*

- The EU recognizes that **energy security, system reliability, and climate ambition are deeply interconnected and mutually reinforcing**. Nationally defined just energy transition pathways – policies and strategies tailored to each Member State's economic structure, resource endowments, and social context – offer a mechanism to simultaneously enhance energy security and accelerate the transition toward net-zero

emissions in line with 1.5°C scenarios. Such tailor-made approaches allow Member States to diversify energy sources, **integrate renewables reliably, and reduce dependence on volatile fossil fuel imports**. By **investing in local clean energy resources** – including solar, wind, and green hydrogen – Member States not only meet their climate targets but also **enhance resilience against geopolitical and market shocks**.

- Phasing out fossil fuels must be socially just to maintain public support and system reliability. The EU's Just Transition Mechanism provides funding for workforce reskilling, economic diversification, and regional development, **ensuring that communities affected by energy transitions remain socially and economically resilient**. **Reliable electricity grids and secure supply chains** depend as much on **social stability as on technical infrastructure**.
- National pathways allow countries to plan renewable deployment alongside **grid modernization, energy storage, and cross-border interconnections**. Initiatives like the North Seas Energy Cooperation demonstrate that coordinated planning strengthens reliability while enabling high shares of variable renewables, proving that ambitious decarbonization and energy security are complementary goals.
- By implementing nationally tailored just transition strategies, EU Member States become **laboratories for innovation** in energy security. Horizon Europe and the Innovation Fund support demonstration projects in green hydrogen, offshore wind, and smart grids, providing replicable solutions for countries worldwide, particularly those seeking to achieve secure and sustainable energy systems in line with the 1.5°C pathway.
- The EU encourages all Parties to embed energy security into their just transition plans. If designed coherently and in an integrated manner, **coherent policies for carbon pricing, renewable deployment, energy efficiency measures, and regional cooperation** not only achieve climate objectives but also enhance resilience, affordability, and system reliability. The EU shares technical assistance and policy experience through the Global Gateway and other partnerships to support secure and just energy transitions globally.

2. *How can nationally defined just energy transition pathways be designed to ensure that future energy systems are resilient to climate impacts, supply chain disruptions, and geopolitical risks, while also remaining affordable and accessible to all?*

- The National Energy and Climate Plans (NECPs) **integrate national assessments of renewable capacity, storage needs, and grid reinforcement**, ensuring Member States can maintain reliable supply even under extreme weather or market volatility.
- The EU **invests in climate-resilient energy infrastructure** through programs such as Horizon Europe and the Connecting Europe Facility (CEF). National pathways allow Member States to **prioritize upgrading electricity grids, modernizing district heating, and integrating smart, digitalized networks** that adapt to fluctuating supply and extreme events, enhancing operational reliability.

- By coordinating **energy planning** regionally and integrating cross-border interconnections, national pathways contribute to energy solidarity across Member States, reducing vulnerability to geopolitical tensions. Initiatives such as the North Seas Energy Cooperation (NSEC) and EU Energy Union governance framework demonstrate that proactive, coordinated planning strengthens both system reliability and collective security

3. *In what ways can human rights– based and gender-responsive approaches be integrated into nationally defined just energy transition pathways to ensure that secure and reliable energy systems are also equitable and inclusive?*
    - In the transition to net zero and climate resilient societies, it is crucial that we design, implement, monitor and evaluate just transition measures based on **whole-of-society approaches** that are characterized by broad stakeholder engagement with and leadership by impacted communities, including women, Indigenous Peoples, local communities, youth, persons with disabilities, migrants and people in vulnerable situations due to a range of socio-economic factors.
    - In particular, to be truly fair and inclusive, a just transition should **build on human rights-based, intersectional and gender-transformative approaches**. Such approaches integrate the challenges and needs of women and those facing multiple and intersecting forms of discrimination in their just transition while also valuing the role, knowledge and leadership of these groups in fostering a just transition. Moreover, these approaches put **social protection**, care – including the role and revaluing of paid and unpaid care work – and wellbeing at the centre, as well as the respect, promotion and fulfilment of all human rights, including, but not limited to the right to health, the right to a clean, healthy and sustainable environment, equality and non-discrimination, intergenerational equity, labour rights and decent work, promoting inclusion and equality.
    - Such inclusive approaches help **build social trust** and ensure the broad support required for the transition to net zero and climate resilient societies.

4. *How can cooperation at national, regional, and international levels support the development of resilient, secure, and just energy systems that safeguard both people and ecosystems?*

    - At the national level, energy resilience and justice require **inclusive planning that integrates government, industry, communities, and civil society**. The EU's experience with National Energy and Climate Plans (NECPs) demonstrates that participatory planning ensures that energy transitions are socially just, environmentally responsible, and technically robust. By engaging local stakeholders, countries can design pathways that protect vulnerable communities and ecosystems while maintaining secure energy supply.
    - Energy security and system reliability are strengthened through **regional coordination**. The EU's Energy Union framework and diverse projects illustrate how **interconnected**

grids, cross-border electricity trading, and coordinated renewable deployment increase resilience against supply disruptions, extreme weather events, and geopolitical tensions. Regional cooperation allows countries to pool resources, share flexibility, and integrate variable renewables without compromising reliability or affordability.

- At the international level, cooperation accelerates the global transition toward resilient, low-carbon energy systems. The EU actively supports international partnerships through initiatives such as REPowerEU, the EU Global Gateway, and Horizon Europe collaborations. These programs **facilitate technology transfer, capacity building, and climate finance, enabling countries worldwide** to implement just transition pathways that safeguard both people and ecosystems.
- Resilient and just energy systems are those that mitigate social risks, respect environmental limits, and maintain reliable supply. The EU's policies – such as the EU Biodiversity Strategy for 2030, the EU Taxonomy for Sustainable Activities, and the Clean Energy Package – ensure that energy transitions **integrate ecosystem preservation, circular resource use, and social equity from the outset**. National, regional, and international cooperation makes it possible to align energy security with environmental stewardship and social protection.

Examples at EU & EU MS level:

- **Citizen Climate Convention – France**: In France, a Citizens' Climate Convention[3] took place in 2021, where 150 randomly selected citizens representative of the diversity of French society, worked on proposals to define a series of measures that will allow to achieve a reduction of at least 40% in greenhouse gas emissions by 2030. Certain proposals made were included in the national Climate and Resilience Law.
- **National Dialogue on Climate Action – Ireland:** In Ireland, a dialogue on all aspects of climate action is facilitated through regular meetings of a wide range of stakeholders through the National Dialogue on Climate Action, where just transition is a particular focus.

Unpacking the full range of means of implementation for a multisectoral approach to just energy transition pathways

Theme 1: Climate finance for just energy transition pathways

Guiding questions

1. *What lessons are being learned on financing nationally defined just energy transition pathways aligned with the outcome of the first Global Stocktake, including through enhancing access to climate finance, innovative and blended finance, crowding in of the private sector in a way that complements public finance, and financing for social protection systems?*
    - Actions contributing to just transition are already being financed domestically and through multiple streams at international level, both under the UNFCCC (via existing

financial mechanisms) and outside of UNFCCC both multilaterally (e.g., MDBs), bilaterally (e.g. EU green partnerships), and by other types of cooperation (e.g. JETPs). **International finance institutions, including the MDBs, could play an increased role and consider how to enhance eligibility of projects that have just transition considerations** under existing policy objectives of such institutions as well as by **offering guarantees for minimizing the potential risks for private co-financing.**

- According to various sources (UN High-Level Climate Action Champions, IEA, IMF), the **private sector has the potential to deliver up to 60 to 70% of total investments needed to achieving net zero emissions in EMDEs** (excl. China). Central and commercial banks, investors, insurers and asset owners have mechanisms at their disposal to allocate capital for a just transition and influence the transition process in the real economy.
- Actions that contribute to making all finance flows consistent with a transition to net zero and climate resilient societies create opportunities to support a just transition. According to the IPCC AR 6 Synthesis Report, **there is sufficient global capital to close the global investment gaps for a transition toward low GHG emissions and climate resilient development, but there are barriers to redirect capital to climate action**. It also notes that public and private finance flows for fossil fuels are still greater than those for climate adaptation and mitigation. Hence, moving away from investing into fossil fuel-related assets and aligning financial flows in line with article 2.1(c) helps to avoid further stranded assets and support climate friendly economies via investments into just transition to net-zero and climate resilient societies.
- Identifying and making available domestic opportunities and resources of support, including both public and private sources, is crucial to support just transition pathways. **Strengthening enabling conditions, policy frameworks, incentives and investment environments** is crucial to enable the mobilization of finance corresponding to the scale and nature of the socio-economic challenges and considerations related to just transition, especially to **attract private investments, including from actors currently taking economic advantages from emitting activities.** The IPCC pointed out that "reducing financing barriers for scaling up financial flows would require **clear signalling** and support by governments, including a stronger alignment of public finances in order **to lower real and perceived regulatory, cost and market barriers and risks and improving the risk-return profile of investments**".
- There is a large range of possible actions that can be taken mainly by governments at the domestic level. For instance, governments could **promote fiscal, financial and regulatory frameworks aimed at reducing the cost of capital** and facilitate a just and equitable net zero transition as well as **incentivise credit-enhancement programs such as insurance mechanisms, guarantees, and other blended finance approaches**, including through multilateral and development institutions. Furthermore, finance ministries can play a crucial role in mobilizing public and private financial resources, allocating investment and expenditures, **developing sound macroeconomic forecasts and policies, designing measures to mitigate potentially adverse distributional**

impacts of climate policies, and aligning NDC planning with national development planning and budget cycles, tailoring their interventions to the different national circumstances.

- Fiscal tools are a strong economic instrument to achieve solidarity in emissions reductions, as they can **tackle the most emitting activities while providing mid-term revenues that can be used to provide financial support to the most vulnerable people** to invest in those activities/sectors that might accompany the transition and that might be less financially appealing currently. In this way, fiscal tools are historically one of the key instruments lying at the core of every social pact/contract, both at the domestic and international levels.

Examples at EU & EU MS level:

- **Social Climate Fund – EU:** The Social Climate Fund was created alongside the ETS2, the EU's emissions trading system covering fuel combustion in buildings, road transport and additional sectors. It will provide Member States with dedicated funding so that the most affected vulnerable groups, such as households in energy or transport poverty, are directly supported, and not left behind during the green transition. Member States may use the SCF to support structural measures and investments in energy efficiency and renovation of buildings, clean heating and cooling and integration of renewable energy, as well as in zero- and low-emission mobility solutions. Moreover, Member States will have the option of spending part of the resources on temporary direct income support. There is a specific call under the Technical Support Instrument to support Member State to develop Social Climate Plans. The Social Climate Fund will be financed through the auctioning of 50 million allowances under the ETS1, and at least 150 million allowances under the ETS2. In addition, member states are required to co-finance 25% of any measures financed through the EU's Fund.
- **Mobilizing Global Bond Markets for a Just Transition**: Netherlands, through the Coalition of Finance Ministers for Climate Action (CFMCA) Global bond markets could be a vital source of mobilizing investment for a just transition. In particular green, social, sustainability, sustainability-linked, and transition bonds, collectively called sustainable or GSS+ bonds (all nationally issued) could be a key instrument when financing NDCs, LT-LEDS and transition plans. Following discussions at its 11th Ministerial Meeting in April 2024, the Coalition of Finance Ministers for Climate Action published a policy note providing guidance on this topic. The CFMCA could present best practices highlighting national policy actions from across its diverse membership of 90+ countries at the 2nd Dialogue.
- **Austria:** Austria has introduced the "climate bonus", a per capita compensation based on the place of residence using the revenues of the CO2 tax on emissions. It redistributes the revenues from the introduction of a carbon taxin the form of a compensation with the aim to offset poor quality of infrastructure and transportation in remote areas.

2. *What innovative financing mechanisms and policy frameworks could support enhancing the provision of climate finance for transitioning away from fossil fuels in a just, orderly and equitable manner, in line with national development priorities and while safeguarding affected workers and communities?*

- To support fossil fuel phase-out, the EU **leverages blended finance approaches –** combining public grants, concessional loans, and private capital – to de-risk investments in renewable energy, energy efficiency, and clean technology deployment. The Just Transition Mechanism (JTM) exemplifies this approach, channeling €19 billion in public funding to mobilize private investment in fossil-dependent regions. Internationally, the World Bank and Multilateral Development Banks (MDBs) have demonstrated that blended finance accelerates low-carbon investment while providing social safeguards for affected workers.
- EU experience shows that **carbon pricing and emissions trading systems** can provide sustainable revenue streams to finance just transitions. The EU Emissions Trading System (ETS) generates resources that can be **reinvested in worker reskilling, clean energy infrastructure, and community development**. The OECD emphasizes that carbon pricing is one of the most cost-effective ways to align national finance flows with climate objectives while supporting equity and economic efficiency.
- Innovative instruments such as **green and transition bonds** provide scalable financing for clean energy infrastructure and social transition measures. The EU Green Bond Standard, aligned with the EU Taxonomy for Sustainable Activities, ensures that investments contribute to environmental objectives and social safeguards. MDBs, including the European Investment Bank (EIB) and World Bank, actively promote climate-aligned bonds to **channel private capital to sustainable energy projects globally**.
- The EU's NECPs require Member States to align climate action, energy security, and socio-economic priorities. Similarly, MDBs and the UNFCCC Standing Committee on Finance emphasize that **coherent policy frameworks** – covering regulation, subsidies, and fiscal incentives – unlock both domestic and international climate finance while ensuring developmental coherence.
- The EU actively supports cooperative financing initiatives, including Global Gateway, Mission Innovation, and the Green Climate Fund (GCF). These programs leverage public funds to mobilize private investment in partner countries, fostering socially inclusive, low-carbon transitions while providing technical assistance for policy and financial design.
- **Guarantees, insurance, and risk mitigation instruments** are crucial to attract private investment in regions exposed to economic, climatic, or geopolitical risk. The World Bank's Partial Risk Guarantees, OECD's risk-sharing frameworks, and EU-backed financial instruments reduce investor risk while ensuring that projects benefit both workers and communities.

Examples at EU & EU MS level:

- **The BOGA fund's NDC Window:** Denmark is chairing both the Beyond Oil and Gas Alliance (BOGA) and the NDC Partnership. Through the NDC Partnership developing countries can request support from the BOGA Fund to explore how NDCs 3.0 can

incorporate ambitious and actionable pathways for addressing fossil fuel phase-out. This collaboration aims to enable developing countries to address challenges and opportunities for integrating just transitions away from fossil fuels into national climate plans, ensuring equity and resilience in the shift towards sustainable energy and economic systems.

- **Tripartite social dialogue agreements – Spain**: Two tripartite agreements are the basis of the coal phase out just transition approach in the country. One of the agreements was signed for the closure of the 15 coal-fired power plants which involves the relocation of workers and a search for alternative activities for the affected areas, both by the companies (through renewable energy projects and other activities) and by the government (through the deployment of support instruments organised around the Just Transition Agreements) and with the participation of the trade unions to facilitate and monitor the fulfilment of the pledges. Similarly, a coal mining agreement has been signed which guarantees social measures for former miners and local development policies.

Theme 2: Innovation and technology transfer

Key messages:

- Reaching the objectives of the Paris Agreement requires systemic socio-technical transitions. Accelerating the implementation of climate technology requires **changes in social systems: knowledge, behaviour, institutions and markets**.
- Creating **enabling environments** for technology development and transfer involves processes that are embedded in differing social, economic and development contexts and therefore **technology development and transfer should be approached as an ongoing process** that is closely linked to other national and international processes.
- Countries that have no locked in fossil infrastructure should take this opportunity to **leapfrog** and to invest in zero emission energy systems for the future.
- Countries that have locked in fossil infrastructure should invest in renewable zero emission energy systems to engage in a future-proven and sustainable infrastructure and lowering their economic exposure to fossil-fuel related income streams.
- For the transformation towards a zero-carbon economy, the development of low and zero emission products, produced from an increasing share of renewable energies, is important. The **development of green product standards and the tracking of the transition towards low and zero emission products** is an important indicator. In many cases, zero carbon technologies rely on renewable energies with electrified systems. A **harmonized reporting** on low and zero emission products, e.g. for steel and cement, will allow the tracking towards a zero-carbon economy and the deployment of zero emission technologies.
- In their work on technology and NDCs, the TEC and the CTCN observe that **experience sharing and capacity-building collaboration between countries can stimulate the uptake of climate technologies** in collaborating countries. A concrete example of bundling

climate technology knowledge and experience is that of **technology roadmaps guiding the transition to zero emission sectoral solutions**. **An important part of such roadmaps is the transition from fossil fuel to renewable energy solutions** based on internationally gathered good practice of planning and implementing.

- Strengthening developing countries' relevant institutions by increasing the number of human resources and facilities to accelerate the research and development of the technology, is with utmost importance when talking about **enhancing sustainable institutional and organizational capacity**. Similarly, cooperation and formal partnerships between relevant stakeholders, including national and local authorities, local communities, the private sector and civil society organizations are pivotal.

Examples at EU & EU MS level:

- The EU is fully committed to contributing to the mainstreaming of climate technology development and transfer as one of the leading climate development donors and by contributing to the work of the UNFCCC Technology Mechanism that is guided by the Technology Framework.
- As an example, Germany, being a member country of the EU, actively supports the UNFCCC TEC and CTCN through its **NDE Germany**. This support includes the implementation of the working programs and direct collaboration with the CTCN on initiatives such as **SF6-free grid technology**, as well as the development of low and zero emission alternatives and standards in the cement, concrete, and steel sectors.

Guiding questions

1. *How can innovation and technology transfer foster holistic and multisectoral approaches to just energy transition pathways that leaves no one behind, including through inclusive innovation, local knowledge integration and identification of scalable solutions?*
    - The EU emphasizes inclusive innovation, where technology development actively involves local communities, workers, SMEs, and civil society. Programs under Horizon Europe **encourage co-design of renewable energy systems, smart grids, and energy efficiency solutions to reflect local needs, social realities, and cultural contexts,** ensuring that no one is left behind.
    - EU initiatives such as the European Innovation Council (EIC), the Global Gateway, and the Innovation Fund support technology transfer to developing countries. By **sharing best practices, tools, and scalable renewable solutions**, we enhance energy access, resilience, and climate mitigation, while avoiding technological lock-in or inequitable adoption.
    - Just energy transitions must **connect energy, water, agriculture, transport, and industry sectors**. EU-backed programs, such as Horizon Europe Missions (Climate-Neutral and Smart Cities, Clean Energy Transition), demonstrate how energy innovations can drive cross-sectoral benefits, from clean mobility to efficient heating, reducing social and environmental trade-offs.

- Innovation must **prioritize scalability and adaptability, enabling solutions developed in one region to be tailored to diverse national and local contexts**. Examples include modular solar and mini-grid systems in rural areas, smart energy management platforms, and hybrid renewable storage systems supported by EU technical assistance via ELENA and Covenant of Mayors programs.
- Technology alone is not enough. The EU stresses the i**ntegration of local knowledge, indigenous practices, and community expertise into design, deployment, and operation**. This approach **ensures social acceptance, efficiency, and resilience**, aligning with ILO guidelines on just transitions and UNDP guidance on participatory innovation.
- Successful technology adoption requires **partnerships between government, private sector, academia, and local communities**. EU-funded PPPs demonstrate how research institutions, local SMEs, and citizen cooperatives can collaborate to co-develop affordable, clean, and resilient energy solutions, ensuring both economic and social benefits.
- Innovation and technology transfer must include **robust monitoring, impact assessment, and adaptive learning** to identify what works in practice. EU programs incorporate metrics for social inclusion, environmental sustainability, and economic impact, **ensuring that scaling does not compromise equity**.

2. *How can innovation and technology transfer best support the implementation of nationally defined just energy transition pathways, including through energy efficiency, clean cooking solutions, scaling of renewable energy and enhancing energy access?*
   - The EU emphasizes that **innovation in energy efficiency technologies** – smart grids, building retrofits, and industrial process optimization – can significantly reduce emissions and energy demand. Through programs like Horizon Europe Energy Efficiency Missions and ELENA (European Local Energy Assistance), the EU supports scalable, cost-effective solutions that lower energy costs for households and businesses, contributing directly to nationally defined just energy transition pathways.
   - I**nnovative solutions for clean cooking** are critical for public health, gender equality, and climate mitigation. The EU supports **blended finance, PPPs, and capacity-building programs** to deploy these solutions at scale, ensuring affordable access for vulnerable communities.
   - The EU promotes inclusive technology transfer, where **local enterprises, SMEs, and communities are actively engaged in adopting, maintaining, and scaling new energy technologies**. Programs under Horizon Europe and the European Innovation Council provide technical support, funding, and knowledge-sharing platforms to integrate local knowledge and participatory approaches.
   - Technological innovation must ensure equitable energy access, particularly in rural and underserved regions. EU-supported initiatives like Covenant of Mayors for Climate & Energy and Global Gateway clean energy programs **combine decentralized renewable**

energy, mini-grids, and digital management platforms to deliver reliable, affordable, and climate-resilient energy services.

- EU programs **integrate robust monitoring and knowledge exchange to assess the effectiveness of technology deployment**, enabling lessons learned to be replicated across regions and sectors. This ensures nationally defined just energy transition pathways are dynamic, evidence-based, and socially inclusive, leaving no one behind.

Theme 3: Capacity-building and knowledge sharing

Key messages:

- Facilitating collaboration within government and with public and private stakeholders – including economic stakeholders – can be a key enabler to drive the systemic changes required for a whole-of-society response to the climate crisis.
- A **whole-of-society approach** to the implementation and development of climate policies should be based on the coordination of policy-making and strengthened operational capacities at all levels and across all relevant policy areas, giving also an active role to regional and local authorities. It should also be based on **social dialogue** with workers' unions, employers and government as well as robust, early and **broad stakeholder engagement** – such as with local communities, Indigenous Peoples, international organisations, academia and civil society (including youth). Both can build public support, incorporate various perspectives and innovative ideas from diverse stakeholders, and help to create plans that are sustainable, context-specific and feasible to implement.
- Such coordination and engagement could ensure that **principles of fairness and solidarity are integrated in policy design, implementation and monitoring from the outset**, providing the basis for broad and long-term support for inclusive policies advancing the transition to net zero and climate resilient societies.
- Support for a just transition should also be ensured by **adopting long-term partnerships and promoting comprehensive approaches** to capacity building activities, education/skills exchanges, and training programmes to cultivate a skilled workforce, including those enabling greater participation of women and most vulnerable parts of the society.In this way, the JTWP supports international cooperation by offering a space for Parties, observers and other non-Party stakeholders to exchange views on opportunities, best practices, actionable solutions, challenges and barriers on matters related to just transition, and hence contributes to capacity building.

Guiding questions

1. *How can capacity-building and knowledge-sharing initiatives under nationally defined just energy transition pathways ensure that Indigenous Peoples and local communities are*

empowered as active partners, with their cultural heritage, traditional knowledge and practices recognized, valued and protected?

- There are **important socio-cultural aspects** related to the energy transition, for example in coal regions. The phase-out of coal across the European Union is essential to combating climate change. However, for coal-dependent regions, particularly in Central and Eastern Europe, coal is not just a source of energy – it is part of their cultural fabric. It is therefore crucial to **find ways to re-imagine identities** tied to coal extraction to ultimately create an energy transition that encompasses a cultural shift too, together with the most vulnerable people and communities affected by the transition to net zero societies.
- The EU emphasizes the **formal recognition and integration of traditional knowledge and cultural heritage into energy transition planning**. This aligns with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Paris Agreement's principles of climate justice. EU programs, such as the Global Gateway and Horizon Europe co-creation projects, facilitate participatory approaches that value local expertise, ensuring that energy solutions are socially and environmentally appropriate.
- The EU supports **co-design of energy projects with Indigenous Peoples as well as local communities, including early-stage consultations, participatory planning, and joint monitoring**. Such approaches have been proven to increase social acceptance, sustainability, and resilience. Horizon Europe Missions and the Innovation Fund pilot projects encourage multi-stakeholder engagement and community-led governance of energy initiatives.
- Energy projects must **respect sacred sites, land rights, and traditional livelihoods, integrating environmental and social safeguards**. EU funding frameworks **require social and environmental due diligence, including consultation processes** consistent with OECD Guidelines for Multinational Enterprises and World Bank Environmental and Social Standards, ensuring that development does not undermine cultural heritage or ecosystems.
- The EU promotes **regional and global knowledge-sharing platforms**, enabling Indigenous Peoples and local communities to exchange experiences, co-develop solutions, and scale innovations. Initiatives such as Global Climate Adaptation Partnerships, UNDP climate knowledge hubs, and EU-led peer learning networks ensure that successful practices are **replicable and adapted to diverse contexts**, leaving no one behind.
- Traditional land management, renewable resource stewardship, and sustainable agriculture practices provide **critical insights for climate-resilient energy systems**. The EU supports research and innovation programs that **integrate these practices into multisectoral planning**, reinforcing both **biodiversity conservation and equitable energy access**.

Examples at EU & EU MS level:

- **Just Transition Strategy – Spain:** The Spanish Just Transition Strategy is playing a key role in addressing the challenges posed by the green transition in the declining sectors in Spain, especially coal mining and energy production by coal power plants that are being closed. In this context, two different tripartite social dialogue agreements signed by trade unions, business and Ministry of Ecological Transition and Ministry of Employment set specific commitments to address negative impacts on workers, businesses and communities of the closing process of coal mining and coal power plants. Additionally, local participation at territorial level has been granted through Just Transition Agreements. They provide a participatory framework for relevant stakeholders including various ministries, autonomous communities, local authorities, social partners, and other civil society actors (Youth Council, women organizations, academia and others) of the affected regions. Under this innovative governance approach, a wide range of active employment initiatives were agreed with social partners to support those workers negatively affected by declining industries. These include intermediation services, training, or support to self-employment. Remaining challenges linked to appropriate targeting of low qualified workers will require further efforts.
- **EU – Social dialogue:** Social dialogue is key to empowering social partners in designing and implementing just energy transition policies and measures. It is at the core of the EU Treaties. The Council Recommendation on strengthening social dialogue encourages Member States on reinforcing social dialogue and collective bargaining at national level, including by better involving social partners in policy design and ensuring capacity building for social partners organisations. Citizens' Panels are also becoming a regular feature of democratic life in the EU. They bring together randomly selected citizens from all 27 Member States to discuss key, upcoming policy proposals.

2. *What mechanisms or platforms could strengthen the exchange of experiences, skills, and resources to build capacities for just energy transition pathways that reflect diverse local contexts and leave no one behind?*
   - At the national level, **dedicated knowledge hubs and technical assistance platforms** enable governments, communities, and industry stakeholders to access best practices, training, and data. The EU's NECPs process encourages Member States to integrate capacity-building programs into national plans, ensuring that workers, municipalities, and small enterprises gain the skills necessary for low-carbon, resilient energy systems.
   - EU initiatives, including Horizon Europe, the Innovation Fund, and the Global Gateway, provide funding for collaborative research, pilot projects, and skills development. These programs **facilitate exchange between experts, governments, and communities across countries**, ensuring that innovative solutions for renewable deployment, energy efficiency, and decarbonization are tailored to diverse local contexts.
   - International platforms such as the UNDP Climate Promise, International IRENA Coalitions for Action, and Mission Innovation Knowledge Hub provide forums for sharing

experiences, training modules, and technical assistance. Such mechanisms enable governments and local actors to adopt context-specific solutions while protecting workers, communities, and ecosystems.

- The EU is investing in **digital knowledge-sharing platforms** that connect cities, regions, and companies implementing just transition measures. Platforms such as the European Green Digital Hub and IEA's Energy Transitions Knowledge Hub enable real-time exchange of best practices, policy tools, and workforce training modules, ensuring that no community is left behind in the transition.

Examples at EU & EU MS level:

- **EU Just Transition Knowledge Hub:** The Just Transition Platform (JTP) Knowledge Hub provides tangible case studies, toolkits, and catalogues on just transition good practices for practitioners and stakeholders supporting Europe's just transition to a climate-neutral economy. The JTP Knowledge Hub was established to ensure that all stakeholders in the just transition have easy access to useful, practical and credible information and knowledge on possible transition pathways and their implications.
- **The NDC Partnership:** An EU Member State, Denmark, is currently co-chairing the NDC Partnership with Brazil. The NDC Partnership is a global coalition supporting countries in delivering climate action that helps achieve the Paris Agreement and the SDGs based on developing countries own requests. Through the NDC Partnership dedicated resources and expertise for developing countries to include specific actions related to core elements of just transition approaches in NDCs and LT-LEDS are provided incl. for capacity building through a whole-of-government and whole-of-society approach.
- **Transition from shipping to wind industries**: At the time of its closure in 2012, Lindø Shipyard in Denmark employed almost 2 700 workers. To prevent negative local economic downturn and talents leaving the region, as many of the affected workers were highly skilled, action was taken to bring new industries to the area to create new jobs and allow for job-to-job transitions.

  Key implementation points: 1) Strong co-operation between local policy makers and social partners allowed for a smooth transition for ex-shipyard workers to new positions in offshore renewables, 2) Creating and developing a clear and ambitious regional industrial policy, developed with key stakeholders, based on specific local attributes such as access to a large number of skilled workers in a strategic location, 3) Access to public finance, including via the European Union European Globalisation Fund (EUR 20.4 million), to help reskill and upskill affected workers, 4) The establishment of a joint secretariat helped coordinate and manage the transition with the trade unions, 5) The provision of tailored support for individuals ensured no worker was left behind and 6) Individual reskilling and upskilling plans enabled skilled workers to find similar jobs in the region including in new offshore energy businesses.

Fostering just energy transition pathways and holistic approaches to just transitions: enabling conditions and environments at global and national level

Topic 1: Identifying concrete and actionable outcomes for the JTWP in the context of just energy transition pathways and holistic approaches to just transitions, including through synergies within and outside the UNFCCC

Guiding questions

1. *What could be some concrete and actionable outcomes for the JTWP in the context of just energy transition pathways and holistic approaches to just transitions?*
    - The EU very much wants and hopes to reach a substantial agreement on the JTWP this year as we believe the JTWP can play a key role in increasing ambition and fostering just energy transition pathways that contribute to creating quality jobs, enhancing affordable and clean energy access, while increasing other health and environmental co-benefits.
    - We ended up SB62 with an informal note which is a sound basis for further deliberations in Belem. The key messages included in the informal note show the progress Parties have made even though several options are still included. We appreciate that the informal note includes both **high-level political messages** on just transition as well as **key elements** of the just transition coming **out of the dialogues** held under the JTWP.
    - On the one hand, the informal note **highlights the goal (or the "what")** of the transition, which is to limit the global temperature increase to 1.5°C and how it is inherently linked with pursuing just transition pathways. On the other, it outlines **key elements of just transition (i.e. the "how" of the transition)** that provide concrete **guidance to Parties to include just transition into their energy transition policies and measures, and more broadly into their NDCs, NAPs and LT-LEDS.**
    - Any other actionable/concrete outcomes should be based on these key elements, for example:
        - Actions related to the fostering **decent work**,
        - Respecting, promoting and fulfilling **international labour rights, human rights and gender-based whole-of-economy approaches** that take into account the informal and care economy,
        - Measures strengthening and adapting **social protection systems** including for informal workers,
        - Leveraging **social dialogue** with all social partners as well as broad stakeholder engagement to contribute to achieving such measures.
    - These should **give more concrete directions** to Parties and NPS, on a voluntary, non-prescriptive basis, **to implement** their climate policies, plans, strategies and actions towards climate-neutral resilient societies in a just and inclusive manner, in alignment with GST outcomes and 1.5°C pathways.

- We need to make sure that the JTWP will **not create a new structure duplicating already existing structures or existing work**. The EU considers that analyzing and providing a **synthesis of the work undertaken** on just transition **within and outside the UNFCCC**, identifying the **potential remaining gaps**, and corresponding **feasibility** of the JTWP to cater to these, could provide us with fertile ground, also keeping in mind that **institutions outside of the UNFCCC might be in a better position to accelerate the implementation on the ground**.
- The EU will continue to engage actively in the space given to these discussions as we are **eager to understand the ideas of other stakeholders better**.

2. *How can the JTWP best capitalize on synergies within and outside the UNFCCC in this context, including through its dialogues?*

- For the EU, there is an opportunity to foster **more dynamic exchanges and collaboration between national experts on just transition**, as well as synergies with workstreams and initiatives within and beyond the UNFCCC. Indeed, there is a vast body of work being done on just transition that we cannot ignore and we should **build on these already existing workstreams** to avoid duplications.
- In particular, we should recognize the substantial contributions to just energy transition pathways from:
    - Sharm el-Sheikh Work Programme for urgently scaling up Mitigation Ambition and Implementation
    - The International Labour Organization
    - G20 Just Transition-related workstreams and the G20 Principles for Just and Inclusive Energy Transitions
    - IEA's Global Commission on People-Centred Clean Energy Transitions
    - IRENA Collaborative Framework on Just and Inclusive Energy Transitions
    - World Bank Just Transition for All initiative and Just Transition Taxonomy
    - NDC Partnership (NDCP)
    - UNDP Climate Promise

  As well as the work on just energy transition from many other organisations and initiatives such as:
    - Technology Mechanism
    - The Global Energy Transitions Forum, (GETF) launched to accelerate implementation of the COP28 tripling and doubling goals through international coordination, investment mobilization, and project pipelines in emerging and developing economies
    - World Trade Organization (in particular, Committee on Trade & Environment and its Trade and Environmental Sustainability Structured Discussions (TESSD) and Fossil Fuel Subsidy Reform Initiative (FFSR))
    - Just Energy Transition Partnerships (JETPs)
    - Multilateral Development Banks' work on just transition including the MDBs Just Transition High-Level Principles

- Clean Energy Ministerial – Empowering People Initiative on skills and inclusivity for just transition; Campaign on Sustainable Lifestyles, Fairness and Access to Clean Energy Technologies
- The Global Accelerator on Jobs and Social Protection for Just Transitions

Topic 2: The role of trade and international cooperation in supporting just energy transition pathways

Guiding questions

1. *What lessons are being learned in terms of cross-border impacts of climate measures, including trade impacts, and what could be the role of trade in supporting nationally determined just energy transition pathways?*
   - Trade policy at the national, regional and international levels can help accelerate the energy transition and contribute to **improving market access conditions, harmonizing regulations, phasing out inefficient fossil fuel subsidies and ensuring the distribution of environmental goods and services, to boost domestic production capacity**.
   - Creating **open, clean and fair markets** is critical to supporting the just energy transition. This helps **ensure access to energy goods and raw materials** needed for the energy transition, spread green goods and services by facilitating market access for green tech industry, and encourages the adoption of climate-friendly policies by all Parties. Multilateral, bilateral and autonomous trade tools can be used for this purpose.
   - The growing number of **energy efficiency requirements for consumer goods** can help to reduce domestic energy consumption and related GHG emissions by excluding the most polluting goods from the market. Promoting and developing **coherent regulations and alignment with international standards, including for the measurement of carbon emissions embodied in traded goods or energy efficiency can minimize regulatory costs and duplication** while helping achieve climate action goals. Through **committee discussions**, WTO members have contributed to increasing regulatory convergence on energy efficiency, advancing cooperation on climate-related challenges.[14]
   - **Carbon pricing**, such as taxes on carbon-intensive goods, can be an effective tool in reducing global GHG emissions. Two thirds of all nationally determined contributions (NDCs) submitted by governments to achieve emission reduction targets under the Paris Agreement consider the use of domestic carbon pricing schemes. **Coordination of internal taxes**, including carbon pricing, can be achieved through various international platforms. By **facilitating exchange of best practices**, international cooperation can

[14] https://www.wto.org/english/res_e/booksp_e/tptforclimataction_e.pdf

contribute to improving the efficiency of carbon pricing schemes and reducing their administrative costs.[15]

- Whilst we need to be aware that climate measures can also have impacts on trade or on international partners, we all know that we need measures to combat climate change (both through domestic regulation and international cooperation).
- **Transparency, dialogue with stakeholders and partner countries affected** by climate measures is key to developing environmental and climate action policies in a way that achieves the goals of the Paris Agreement and minimises impact on trade.

Examples/best practices at EU level regarding cross-border impacts including trade impacts:

- To achieve the 1.5° temperature goal and to achieve, globally net zero emissions in the second half of this century, the Paris Agreement requires each of its Parties to reduce its emissions in a way that reflects its highest possible ambition, reflecting, in the light of different national circumstances. The **EU has respected its obligation to take the lead in reducing emissions**, under the UNFCCC, under the Kyoto Protocol, and under the Paris Agreement, by adopting legally binding targets to reduce the EU greenhouse gas emissions by 55% in 2030 and produce no net emissions by 2050, including by **preventing carbon leakage in emissions-intensive industrial sectors**.
- Conscious about the potential relevance for the EU's trading partners and the need to comply with WTO rules, the EU has **designed all its European Green Deal measures very carefully**. The aim has been to meet key criteria relevant from an external perspective. These include:
  - measures are **evidence-based** and are underpinned by an **impact assessment** and **public consultations**;
  - measures are **based on objective grounds, apply equally to domestic and imported products, and are not discriminatory**;
  - measures are **least trade restrictive, not more burdensome than necessary** and **include transitional periods** for businesses inside and outside the EU to adapt;
  - wherever possible, measures are **based on international standards**;
  - measures anchor the commitment of the EU to engage with trade partners in international fora to facilitate the implementation.
- Now that we are implementing these policies, we continue working even closer with our trading partners:
  - **Outreach and awareness-raising**: We continue to ensure our measures are clear and well understood (inside and outside the EU). We constantly develop or update material for this purpose (e.g., information platforms, FAQs, etc.).
  - **Tools to facilitate the implementation and compliance** with the measures (e.g., guidelines, databases, etc.)

[15] https://www.wto.org/english/res_e/booksp_e/tptforclimataction_e.pdf

- **Capacity building:** where possible, we are looking, together with partner countries, at concrete needs, and identify funding possibilities for capacity building.

- The EU has been a role model for the transparency of its European Green Deal measures through **public consultations, impact assessments and outreach** from an early regulatory processes and implementation stages in different fora in the EU and outside (in Brussels, through the EU delegations in partner countries, in the WTO in Geneva and via bilateral dialogues).
- The EU has **engaged in the WTO and bilaterally** with countries and tried to address their concerns as far as they allowed maintaining the objectives pursued by our policies. We engage in various other fora as well e.g. OECD, Climate Club, UNFCCC.
- The EU will continue dialogue and engagement with its trading partners including for the measures that entered into force and ensuing implementing acts and decisions.
- In her political guidelines, President Von der Leyen has acknowledged the need to listen and respond better to the concerns of our partners impacted by European legislation, in particular those linked to the European Green Deal. We will continue to apply and where appropriate improve the comprehensive approach to assessing the impact of our laws on non-EU countries and we will provide more targeted support to help third countries adjust to and benefit from those requirements.

EU examples/best practices regarding the role of trade in supporting just energy transition pathways:

- **Trade & Sustainable Development chapters in trade agreements:** Trade agreements are an important driver for sustainable growth both in the EU and in partner countries.
- EU FTAs not only have ambitious sustainable development chapters; they also support the diffusion of clean and more efficient production methods and technologies and create market access opportunities for green goods and services.
- Modern EU trade agreements contain rules on trade and sustainable development, containing an ambitious Trade and Sustainable Development (TSD) Chapter.
- Commitments in TSD chapters require our trading partners to take sustainability issues into account, notably to effectively implement international labour conventions and environmental agreements, enforce their environmental and labour laws or encourage trade that supports tackling climate change.
- Moreover, we also mainstream sustainability throughout our trade agreements to prioritise the liberalisation of goods and services, liberalise trade in raw materials and energy goods for the climate transition, promote sustainable public procurement and remove barriers to trade and investment in renewable energy.
- In June 2022 we took a major step in making EU trade greener, fairer and more sustainable – we unveiled a new plan to enhance the contribution of EU trade agreements in protecting the climate, environment and labour rights worldwide, which is known as the **Communication *"The power of trade partnerships: together for green and just economic growth"***.

- The Communication identifies **six priorities and 20 action points** to enhance the effectiveness of the current EU approach to TSD. The EU cooperative approach based on capacity-building and regulatory dialogues remains the watchword, while introducing stronger implementation and enforcement parameters. As before, the approach is grounded in international frameworks and standards.
- We should also remember that **our trade deals matter for sustainability because they are a platform for dialogue to bring change on the ground**.
- Trade and Sustainable Development Committees are important platforms to engage with **our partners on our climate measures, including measures embedded in the Green Deal**.
- Bilateral trade agreements are not the only way for Trade to support sustainability. The EU also include sustainability commitments in its **Generalized Scheme of Preference**, the **GSP**, which opens the EU market for imports from the poorest countries.
- Sustainable development stays at the heart of the EU GSP.
- **Clean Trade and Investment Partnerships (CTIPs):** CTIPs will bring together rules, regulatory cooperation as well as investment to develop strategic clean value chains with partners. Firstly, investments will be mobilised by identifying concrete projects combining private and public finance, through Global Gateway investment delivered in a Team Europe approach. Secondly, rules will contribute to a conducive environment for clean investment and business opportunities for EU companies to operate on an equal footing in foreign markets. Thirdly, regulatory cooperation will support partners in deploying in particular clean tech, electrification, circularity, decarbonisation standards as well as carbon pricing. The result will be credible and attractive partnerships promoting clean tech investments that ultimately also speed up the global transition.
  The first CTIP was launched with South Africa in March 2025. The agreement will focus on investment, the clean energy transition, skills and technology, and on developing strategic industries along the entire supply chain. The EU-South Africa CTIP will be accompanied by a Global Gateway investment package worth €4.7 billion.

Specific considerations on so-called "unilateral measures":

- We understand that there are concerns about the **framing** of the session around cross-border impacts of climate measures, including trade impacts. We would like to reiterate that we believe this framing allows us to discuss issues related to the relation between trade, trade-related policies and the just energy transition in a balanced manner. **Many climate policies, such as those aimed at addressing carbon leakage in emissions-intensive industrial sectors, cannot be qualified as unilateral trade measures**. So we would not be able to talk about such climate policies under this header proposed by some Parties. However, as we are showing, we are ready to discuss issues related to climate measures with trade impacts in a **balanced, transparent, non-adversarial, non-intrusive, non-punitive manner, respectful of national sovereignty, and with the understanding that these issues will not crowd out other elements we have agreed to discuss** under the just transition work programme as outlined in 3/CMA.5.

- On this point, we would like to add that the UNFCCC and the Paris Agreement were **not designed to assess individual Party's nationally determined policies and measures**; and have no mandate to do so. The vast majority of response measures are domestic and nationally determined by nature, so the framing of "unilateral measures" does not make sense in this context. However, Parties have for over a decade been discussing what we understand to be the concerns underlying the references to so-called "unilateral measures", under the Forum on response measures. In this way, we **have and will continue to discuss the positive and negative domestic and cross-border impacts and opportunities of policies and measures** to combat climate change, noting that the consideration of positive and negative domestic and cross-border impacts of response measures apply to all countries (not only developing countries) in the work on response measures.
- For that matter, we **reject proposals to change the framing** and support keeping "cross-border impacts of climate measures, including trade impacts".

2. *How can international cooperation and partnerships enhance and expand support for nationally determined just energy transition pathways?*
   - International cooperation and partnerships are key to reducing emissions worldwide while ensuring that no one gets left behind. There is a wide range of current efforts by the EU and its Members states in terms of international cooperation for a just transition, including international regulatory cooperation, support, partnerships and, bilateral and multilateral agreements.
   - The JTWP also supports international cooperation by offering a space for Parties, observers and other non-Party stakeholders to exchange views on opportunities, best practices, actionable solutions, challenges and barriers on matters related to just transition.

Examples of existing EU and international cooperation/initiatives:

- **Just Energy Transition Partnerships (JETPs):** International cooperation and partnerships are a cornerstone of EU green partnerships bilaterally as well as Just Energy Transition Partnerships (JET-Ps) multilaterally. JET-Ps have brought together public donors and national governments to calibrate how to accompany target countries in their effort to set out pathways for a people-centric and equitable just transition in the form of a solidarity pact between the international community and developing countries transitioning to net zero.Thus far, manifold experiences and lessons learnt have been made with JET-Ps and they should be taken into account in future cooperation settings be it bilaterally or multilaterally in the form of similar country platform approaches.
- Climate Club: Currently comprising 45 members and growing, the Climate Club is a high-ambition intergovernmental forum for exchange on industry decarbonisation and serves as an enabling framework for increased collective action across diverse geographies. Climate Club members share their assessments and best practices on ambitious and **transparent mitigation policies** and work towards a common understanding of the

effectiveness and economic impact of such policies. Recognising that countries have different starting points and strategies, the Climate Club fosters **cooperation** to improve the enabling environment for **industrial decarbonisation in emerging markets and developing economies.** While focusing on exchange among governments, the Climate Club also engages relevant **stakeholders and experts from academia, think tanks, civil society, and the private sector**. It draws on their expertise and elevates and complements the ongoing work of international organisations and initiatives that relates to its activities.

- **Joint MDB LTS Program:** A new Joint MDB LTS Program, hosted by the World Bank, is similarly a good example of international cooperation and partnerships for people-centric and equitable just transition pathways. It is launched to coordinate support to countries and sub-national entities for the formulation of LT-LEDS and other long-term climate strategies, as encouraged by the Paris Agreement. The Strategies will address decarbonization, climate-resilience, and social aspects, including just transition. To this end, these banks have already agreed on a set of common principles for MDBs support for a just transition released at COP26.

Topic 3: Sharing experiences on policy frameworks for just energy transition pathways and holistic approaches to just transitions that leave no one behind

Guiding questions

1. *How can enabling environments for just energy transition pathways, holistic approaches to just transitions and economic diversification be designed to reflect national defined development priorities?*
    - Creating enabling environments begins with **coherent, cross-sectoral policies that link climate action, energy security, economic development, and social protection**. The EU's NECPs, EU Green Deal, and Just Transition Mechanism (JTM) exemplify holistic planning, integrating energy, labor, and regional development priorities. Such frameworks guide investments toward low-carbon solutions while safeguarding workers and communities in fossil-dependent sectors.
    - The EU emphasizes holistic just transition strategies that address economic, social, and environmental dimensions simultaneously. This includes **reskilling programs, regional development funds, social dialogue platforms, and ecosystem protection measures**. The European Pillar of Social Rights ensures that labor and social policies are embedded in climate transition planning, reinforcing fairness and inclusivity.
    - Just transition pathways must **foster economic diversification to reduce dependence on fossil fuel industries**. The EU supports **investments in renewable energy clusters, green manufacturing, circular economy initiatives, and sustainable tourism** as alternative economic drivers. EU Structural Funds and the Just Transition Fund provide grants and loans to support regional economic diversification, aligning with national development priorities.
    - **Inclusive governance** is central to enabling environments. The EU promotes **tripartite social dialogue, multi-stakeholder platforms, and participatory decision-making**

mechanisms, ensuring that workers, local communities, SMEs, civil society, and public authorities co-design transition strategies. The European Social Dialogue and EU-funded capacity-building programs demonstrate that participatory approaches enhance policy acceptance and social legitimacy.

- An effective enabling environment requires **continuous monitoring, evaluation, and adaptive policy making**. The EU uses NECP reporting, Just Transition Mechanism impact assessments, and regional economic monitoring to adjust measures, ensuring that transition pathways remain aligned with national development priorities and global climate objectives.

2. *What are some examples of bottom-up, community-led and participatory governance frameworks and approaches for just energy transition pathways that could be replicated and adapted to different contexts?*

Key messages to convey:

- Participatory approaches must **link local, regional, and national governance**. The EU encourages **integrating social dialogue, multi-level coordination, and technical support into local projects**, ensuring communities have both voice and agency in transition planning. This approach aligns with ILO guidance on just transitions and ensures no one is left behind.
- Bottom-up approaches are replicable and adaptable. Lessons from EU pilot projects and community-led initiatives demonstrate that **local governance, stakeholder ownership, and inclusive planning** can be tailored to both rural and urban contexts, across energy types and socio-economic conditions.
- Across the EU, **community energy cooperatives** exemplify participatory approaches. In countries such as Germany, Denmark, and Spain, cooperatives allow citizens to own, develop, and operate renewable energy projects, from wind turbines to solar panels. This approach **enhances local buy-in, strengthens social acceptance, and ensures that economic benefit**s – such as revenue and jobs – **stay within the community**.
- **Participatory frameworks** integrate local stakeholders, municipalities, civil society, and indigenous communities into decision-making. EU programs such as Horizon Europe's Social Innovation in Energy Projects and the Covenant of Mayors facilitate co-designed energy transition strategies, ensuring that projects reflect local priorities, social equity, and environmental sustainability.
- EU Member States have developed **territorial transition plans** under the Just Transition Mechanism, involving municipalities, workers, and civil society in **mapping local needs, identifying transition opportunities, and co-creating strategies**. These bottom-up plans have proven successful in coal-dependent regions, such as Silesia (Poland) and Asturias (Spain), ensuring alignment with national climate goals while responding to local socio-economic realities.
- **Community energy hubs and microgrids** are practical examples of participatory approaches. In Scotland, Austria, and Germany, communities **co-invest in distributed renewable systems, often integrated with local heating, mobility, and storage**

solutions. Such models enhance resilience, energy security, and affordability, while providing hands-on governance experience for local actors.

- EU-supported networks like REScoop.eu and the European Local Energy Assistance (ELENA) facility provide **platforms for peer-to-peer learning and best practice exchange.** Local governments and community groups can replicate successful participatory governance approaches, adapting them to diverse socio-economic and geographic contexts.

Example at EU MS level:

- **100% renewable energy-powered energy community - Denmark:** The island of Samsø emphasized local engagement, ownership, and communication in the transition to 100% renewable energy and the community's engagement from the start of the project turned a top-down policy initiative into a bottom-up transformation. Full transparency was ensured through open access to planning documents and consistent updates via local newspapers, letters, community meetings, and citizen petitions. Decision-making processes structured to empower islanders' capacity to voice their needs through trusted institutional intermediaries, which coordinated local input and communicated it to higher authorities. Inclusive consultation during implementation with citizens involved in planning all major aspects of the transition, from the location of wind turbines to the establishment of district heating systems. A generous timeframe for deliberation allowed for trust-building, conflict resolution, and collective ownership of decisions. Outcomes: Samsø attracted approximately EUR 57 million in renewable energy investments between 1998 and 2007, creating stable, local employment across sectors such as construction, operations, and tourism. Innovative ownership models, such as reserving shares in wind turbines and heating plants for ordinary citizens, enabled low-income residents to benefit financially. These models also significantly increased public support and social acceptance, with many turbines and plants owned by local co-operatives or individuals, rather than external investors.