JUST TRANSITION

Just transition is an emergent concept built on the dual premises that: (a) collective global action is required to address the drivers and effects of climate change, in line with the tenets of the Paris Agreement, and (b) the totalising transformational change needed to address these issues for economies, societies, and the global commons has the potential to negatively impact some actors while positively impacting others. While a theoretical concept, just transition is also a growing social movement and conceptual framework, which has the potential to directly affect public policy and decision-making. The importance of achieving a just transition in the face of transformational change continues to gain momentum, as both the disruptive impacts of a changing climate and the scale of the necessary transformation come more clearly into focus.

CIF’s pioneering Just Transition Initiative is exploring how and where the disruptive impacts of climate change and the measures taken to respond to it will be felt. Then it is proposing actions to best mitigate losses and distribute gains fairly. CIF is committed to ensuring that those affected by these changes, particularly vulnerable and marginalized groups, are included in the decision-making processes that will affect their lives.

Shifting to low-carbon, climate-resilient economies will largely depend on private businesses investing in new technologies and transforming business practices in line with sustainable development.

CASE STUDY
JUST TRANSITION IN SOUTH AFRICA

This case study explores the key elements of just transitions in South Africa and draws lessons on how investments of the CIF have interacted with just transition efforts in the country. It uses an iteration of the emerging framework developed under the Just Transition Initiative — a partnership between CIF and the Center for Strategic and International Studies (CSIS) — to explore the diverse perspectives and approaches of key actors involved in South Africa’s just transitions. The framework highlights the importance of considering both the distributional impacts of climate action, which includes the fair allocation of benefits and harms, and procedural elements that include the recognition of marginalized groups by including them in decision-making processes.

CIF, through three of its six implementing partners operating in South Africa, namely, the International Bank for Reconstruction and Development (IBRD), the African Development Bank, and the International Finance Corporation (IFC), stepped in to provide concessional financing to renewable energy projects. The investment amount from CIF’s CTF totaled $233 million, while the MDBs co-financed an additional sum of over $370 million. Deeper dives into two projects — the Sere Wind Farm and the Xina Solar One CSP plant — show that CIF’s provision of concessional financing was critical in showcasing the technical and economic viability of these technologies, thus helping to galvanize private sector investments in renewables in South Africa. Though these projects were not originally designed with a just transition focus, they offer helpful examples of various aspects of just transitions, which can serve as a basis for reflection and learning.

ONGOING CASE STUDY
JUST TRANSITION IN MOZAMBIQUE

The purpose of this activity, to be delivered in 2021, is to conduct a case study in Mozambique that explores how a just transition can be achieved alongside the type of transformational change that is necessary to address climate change. The case study will draw from previous work on just transitions conducted by the CIF and the Bank respectively; assess the positioning of the just transition concept within Mozambique; explore relevant policies, strategies, and approaches at play; interrogate the role of CIF and other climate-related investments in contributing to or interacting with efforts to promote just transitions in the country; and explore both current and future challenges and opportunities related to a just transition in Mozambique.