

## **TWN**

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### **BONN CLIMATE NEWS UPDATE**

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### Developed countries block proposals to advance the Just Transition Work Programme

Bonn, 22 June (S.Hui): The first week of informal consultations on the Just Transition Work Programme (JTWP) under the UNFCCC's Subsidiary Bodies (SBs) in Bonn, Germany began with numerous proposals from developing countries on actionable outcomes, amidst continuous attempts from developed countries to limit and block these proposals from advancing the work programme.

(The JTWP was established at COP 27 in Sharm el-Sheikh, Egypt, in 2022, for "discussion of just transition pathways to achieving the goals of the Paris Agreement" (PA). At COP 28 in Dubai in 2023, Parties agreed on the elements of the JTWP and also decided that the SBs shall guide the implementation of the work programme through a joint contact group, hold at least two dialogues each year, and that there would be an annual summary report of the dialogues and a report summarising information to inform the second global stocktake [GST]. The effectiveness and efficiency of the JTWP is up for review and its continuation will be considered in 2026 as per the Dubai decision. At COP 29 in Baku, there was no substantive outcome on the JTWP. [For more info see TWN update.)

Given the existing agreed modalities in Dubai

remain limited, the **G77 and China** noted that "this year stands as a pivotal moment for advancing discussions within the JTWP" so that the work programme continues beyond 2026.

The most significant issue in the JTWP is whether developing countries can successfully clinch an actionable outcome, bolstered by the means of implementation and international cooperation which would meaningfully support them in their just transitions, despite the opposition from developed countries.

During the first joint contact group session held on the 18 June, the Co-chairs Federica Fricano (Italy) and Joseph Teo (Singapore) noted that while there was only a procedural decision in Baku last year, but there are other work that Parties can build on such as all the three JTWP dialogues convened so far, the first and second high level ministerial roundtable dialogue, the draft text from SB 60 and SB 61, the COP29 Presidency's draft text or even the discussions held on June 15 among heads of delegations under the 'Zero Day'. Based on the presidency draft text and SB 60 text, the Co-chairs identified seven areas of focus with some guidance questions to captures views from Parties in a structured manner.



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The seven areas of focus (known as "elements structure") are: (1) Contextualizing the UAE JTWP; (2) Key messages emerging from three dialogues; (3) Synergies within the UNFCCC; (4) Synergies across the UN system and beyond; (5) Operationalisation of the work programme; (6) Support for just transition pathways and (7) Additional guidance in terms of actionable outcomes. The informal consultations saw Parties engaging constructively under the guidance of the Co-chairs.

In general, the first joint contact group on contextualizing the UAE JTWP and key messages emerging from three dialogues saw Parties reiterating their earlier positions. (For background on Parties' positions and key divergences, refer to TWN Baku <u>Update 9</u>, <u>Update 13</u>, and <u>Update 14</u>).

Four joint contact groups convened between 18 to 21 June in Bonn, and saw developed countries place more emphasis on having key high-level messages emerging from the dialogues as important outcomes from JTWP this year, and did not agree to any new institutional arrangement that would have additional financial implications, citing that discussion on any new institutional arrangement is pre-mature, and Parties should wait until the review of the work programme in 2026. Developing countries on the other hand are determined to focus on the operationalisation of the work programme, support for just transitions and provided various proposals to give additional guidance in terms of actionable outcomes from ITWP this year.

The related issues of the concerns with climate trade-restrictive related measures will also be discussed in the JTWP, following an 'agenda' fight that took place on the opening day of the SBs in Bonn. This relates to the agenda item from the G77 and China entitled "Promoting international cooperation addressing the concerns with climate change related trade-restrictive unilateral measures" which was later withdrawn on the understanding that it can be dealt with under relevant agenda items including in the JTWP. (For background, see TWN Update 2). Some of the initial interventions from Parties on the matter are provided below.

## KEY HIGHLIGHTS ON THE OPERATIONALIZATION OF JTWP AND ACTIONABLE OUTCOMES

**Egypt** for the **G77 and China** reiterated on the need to ensure that all elements of para 2 in the Dubai decision are covered comprehensively throughout the implementation of the work programme, and proposed that the operationalisation of the work programme result in concrete outcomes with implementable solutions, and address the importance of the provision of support as an enabler for just transitions.

In terms of additional guidance in terms of actionable outcomes, Egypt said there is value in establishing "arrangements to systematically supplement and support the outcomes of the JTWP, with some high-level objectives such as (a) facilitate the integration of fairness and equity into climate action, operationalising these principles across the implementation of the PA; (b) facilitate better understanding and implementation of all elements of the JTWP; (c) provide a systemic platform for effective exchange of information. facilitation, and cooperation in implementing just transitions at the international, national, and subnational levels and (d) provide coherent, actionoriented, and inclusive approach for implementing the JTWP, [with an emphasis] on international cooperation and multilateralism at its core."

Further, the G77 envisioned that the functions of the arrangements would include: (a) Provision of technical assistance and facilitate access to information: (b) Promote and mobilise international cooperation, enabling the exchange of knowledge and experiences between Parties; (c) Explore ways to enhance the participation of all UNFCCC constituencies in informing transitions; (d) Assess gaps in just transitions support and recommend actionable solutions; and (e) Mobilize financial resources at national, regional, global levels. The group also proposed that the arrangements would be "Party-led, bottom-up approach, non-prescriptive, voluntary and complementary, focused on implementation and delivering practical benefits and outcomes, as well as responsive to evolving realities while maintaining transparency and inclusivity."

### Chile on behalf of Independent Alliance of Latin

American and the Caribbean Nations (AILAC) commented that it has been promoting the operationalization of the JTWP given that the current modalities are insufficient and there is need to enhance the current ones to increase the efficiency of the programme so that it continues beyond 2026. On the actionable outcomes, it proposed to have an institutional arrangement that will catalyse the integration of fairness and the common principle of but differentiated responsibilities (CBDR) into climate actions. It called for a 'Global Platform for Just Transitions' to facilitate technical assistance, foster collaboration and partnerships with all stakeholders. It envisioned that the platform will serve as an action-oriented space, informed by findings of the dialogue, while the JTWP would provide the oversight.

Tanzania for the African Group (AG) stated that the operationalization of the work programme should aim for concrete outcomes such as enhancing access to energy, clean cooking technologies and facilitating technology transfer. Explaining further, the group stressed on the need ensure provision of the implementations (MOIs), while also addressing the barriers to just transitions, through technical papers, knowledge products, in addition to the dialogue. The AG reiterated the need for additional finance and MOI for just transitions such as social protection, access to energy, clean cooking and other areas. It recommended that the work programme continue beyond 2026 through a proposed institutional arrangement and also through providing guidance.

On the actionable outcomes, it proposed a 'Global Just Transition Framework' and framework guidance that will provide guidance for the implementation of actions outside the UNFCCC, to ensure equity and fairness. The AG said that there can be international arrangements to provide further guidance to match areas of just transition initiatives with various MOIs to enhance the process. Further, the group said the guidance can have various goals integrating fairness into climate actions based on the principles of the PA. Explained the AG further, "One of the goals is to facilitate better understanding, learning experience and success [stories that] enable us to effectively exchange information among different Parties at

the international, national and sub national level....[Another function is the provision of] technical assistance, [which will] facilitate the flow of information and exchange of knowledge, ...[as well as] assessing gaps at various level. The guidance can have various features – party-driven, bottom-up approach, voluntary and complementary at various levels...should be responsible and maintain transparency...."

**Burkina Faso for the Least Developed Countries** (LDCs) urged the need to scale up MOI and on "recognizing that the widening adaptation finance gap may hinder the implementation of just transition pathways in developing countries. especially those that are particularly vulnerable to the adverse effects of climate change." It also did not want to focus only on energy transition, but instead the ITWP should be a holistic view when we talk about just transitions. On the actionable outcome, the LDCs supported the establishment of arrangements to assist countries in implementing just transition pathways and expects the function of the arrangement to include: (a) deliver access to clean energy/ energy security; (b) contribute to reform of international financial architecture and address structural inequalities; (c) address debt debt sustainability burdens. improve forgiveness, facilitate debt for climate action swaps; (d) operationalization of special needs and circumstances of LDCs and SIDS; (e) strengthen social protection systems and support informal workers; and (f) support developing countries for their efforts to attain sustainable development and eradication of poverty which is challenged by impacts of climate change, among others.

Qatar for the Arab Group commented that it did not support having a siloed sectoral approach by focusing on energy transition only. It did not agree with limiting the "enabling environment" to domestic level only and wanted focus on "increasing support". It also supported the recognition of the role of the PA's Article 6.8 nonmarket approaches (NMAs) in the support of just transitions. It supported the G77 and China proposal to establish an institutional arrangement which will catalyse meaningful action on just transitions. It also did not want to limit [equity and fairness] into a guidance framework as these are the core principles of the UNFCCC and that any cooperation should be Party-driven to avoid a top-

down approach.

**Bolivia** on behalf of the **Like-minded developing countries (LMDC)**, reiterated the need to ensure all elements in para 2 of 3/CMA.5 are addressed comprehensively in the operationalisation of the work programme. It also could not support a focus just on energy transition as this counters the multidimensional and broad or holistic approach of just transitions. On the support for just transitions, the LMDC said having a prescriptive approach in just transitions is not the way forward also supported the need to refer to Article 6.8 of the PA which is integrated, holistic and balanced NMAs which will also provide support for just transitions.

Further, LMDC also suggested the need to ensure international cooperation to support transitions and the need to address the disenablers that impede just transitions, reflecting the nationally determined pathways and capacities, while reaffirming that developed countries shall assume leadership by achieving their emission reduction targets early and by supporting the nationally determined iust transitions of developing countries through the provision of financial, technical, and capacity-building support. It also called for reaffirming the provision of finance for just transitions in accordance with the Article 9.1 of the PA to address the needs and priorities of developing countries, as well as the need for public and grant-based resources to enable developing country Parties to achieve their NDCs and nationally determined just transitions. Bolivia also said that while just transition pathways are determined at the national level in a nationally determined manner, there is also a need to "take into account the principles of equity and CBDR-RC at the global level".

The LMDC then presented its proposal to "establish a Just Transition Technical Assistance Network (JTTAN) to catalyze and connect developing countries with technical assistance, access to finance, and exchange of best practices to support just transitions, monitoring and assessing gaps in just transition support, aligned with the principles of equity, CBDR, and the right to development, while recognising the diverse starting points and national contexts of developing countries and the differentiated impacts of transitions across sectors and communities."

"The key elements of the JTTAN are the following: (a) Facilitating access to technical assistance and advisory services from regional and international organizations, bodies, networks, and experts on just transition planning and implementation; (b) Serving as a platform for good practices, toolkits, methodologies, and case studies on just transition strategies, social dialogue, workforce transition planning, and policy coherence; (c) Coordinating capacity-building initiatives tailored to the needs of governments, workers' organizations, local communities, and other relevant stakeholders; (d) Linking developing countries with sources of finance, technology, and capacity building to implement just transition activities; (e) Monitoring and assessing gaps in just transitions support and recommending ways to address them in the broader UNFCCC and financial architecture," said LMDC.

**Fiji** for the **Alliance of Small Island Developing States (AOSIS)** said supported the G77 and China's proposal of establishing an institutional arrangement and also AILAC's proposal of a Just Transitions Platform. It also would like to see capacity building and training included in the platform.

The **European Union (EU)** suggested to include analysis of key findings from the report of the dialogues for high level messages in order to provide clear policy options for just transitions which can inform actionable outcomes as part of the operationalisation of the work programme. It also said that there should not only be a reference to the summary of the 2023 Forum of the Standing Committee on Finance (SCF) on financing just transition, but also on incentives, investment and enabling environment at the domestic level. As for recognition of support available for NDCs, NAPs (National Adaptation Plans) and LT-LEDS (longterm low emissions development strategies) that integrate just transitions, it emphasized the need to add "credible and ambitious" NDCs. It also highlighted the need to recognize 1.5 degree Celsius (temperature goal) alignment as a key message for the JTWP.

In response to the LMDC's proposal of adding Article 6.8 of the PA to support just transitions, the

EU said it required more clarification on what is meant by this; while on the reference to Article 9.1 of the PA, the EU said it is being discussed at length in many rooms and the SB Chairs are holding substantive discussions where all these will be considered at SB63 in Belem, Brazil and so it is better to avoid further fragmentation.

In regards to the actionable outcomes, the EU said it must "go hand in hand with ambitious NDC as the main tool we have is NDC and integrating just transitions in NDCs provide a crucial basis [for climate action]....The outcome needs to deliver strong messages in achieving the goal of best available science in particular, the whole of society [approach] towards net zero and keeping 1.5 degree Celsius within reach.". It then went on to suggest that the JTWP should give some degree of specific actionable messages from the dialogue as to how Parties should integrate just transitions in NDCs and NAPs, such as human rights, whole of economy, care economy and leveraging social dialogue, in alignment with 1.5 degree Celsius pathways.

The EU reiterated that the mandate is for Parties to review the effectiveness of the work programme in 2026 and hence the work post-2026 is premature to discuss. In response to all the proposed institutional arrangements, the EU said there is much work happening outside the UNFCCC already the **ITWP** dialogues are providing opportunities send signals existing to to workstreams (under the UNFCCC) to take into account just transitions. It explained that this is why the EU's proposal of having an analysis of key findings and lessons learned to send signals to existing workstreams (within) and outside of UNFCCC. Further, it also stated that it is not supportive of the guidance or technical assistance network and is in favor of linking the JTWP to the International Labour Organisation's guidelines; while the JT technical assistance network looks like the Technology Implementation mechanism in UNFCCC.

The **United Kingdom (UK)** supported the EU and stressed energy transition and social protection. It was also concerned about "fragmentation" of discussions on Article 9.1, "recognizing that there are challenges and issues raised here go far beyond

what this room can achieve [and] we are not here on climate finance, not Article 9 or Article 9.1." It also recognised support available for NDCs, NAPs and LT-LEDS that integrate just transitions. The UK also did not support "any of the proposed institutional arrangement here because fundamentally [they are] duplicating the structure and further siloed the just transitions as an outcome...We all acknowledge just transitions is cross-cutting and not to silo further" adding that "establishing a new mechanism or process removes it from its fundamental content...".

**Australia** said that JTWP should support transition to low emissions, in keeping 1.5 degree Celius alive, with participation of worker groups and vulnerable communities, and in ensuring gender responsiveness and the rights of indigenous peoples. In terms of support for just transitions, it highlighted the need for good governance and other enabling environment. It also echoed UK's comment on "not allowing this room as a proxy climate finance debate".

New Zealand said that it "sees the upcoming agreed review to discuss any next phase of the work programme [and Parties] should not prejudge the outcome of the review here. The review is here to consider the need of any institutional arrangement". It then called for "robust carbon pricing" and "level the playing field so that there is no fear of carbon leakage. It is therefore critical that "ambitious NDCs are submitted as soon as possible."

**Egypt** expressed its frustration after hearing reactions from developed countries with regards to the future of the work programme. It called on "developed countries to revisit proposal made by developing countries" as all the proposals "address their [the developed countries'] concerns on silo and fragmentation."

**Bolivia** for the **LMDC** as regards Article 9.1 said that substantive consultations on the matter had yet to take place. "However, the implementation of Article 9.1 is completely relevant; without Article 9.1, we can say there is **no just transitions**," it stressed further.

ON SYNERGIES WITHIN THE UNFCCC AND

#### ACROSS THE UN SYSTEM AND BEYOND

In terms of synergies within the UNFCCC and across the UN system and beyond, generally, developing countries, led by the **G77 and China** would like to see synergies with the relevant work streams and mechanisms within the UNFCCC on finance, capacity building and technology transfer, adaptation, response measures and loss and damage. Some of the sub-groups like the **Arab Group** and the **LMDC** did not support the synergies with the Mitigation Work Programme (MWP), and rejected any invitation to the JTWP to integrate outcomes of the first GST.

**Burkina Faso** for **LDCs** added that the synergies outside the UNFCCC and beyond need to reference "structural inequality" and "international cooperation".

**India** for the **LMDC** raised some concerns with the term "synergies" and proposed to change it to "Party-driven cooperation".

Developed countries proposed many synergies within the UNFCCC and across the UN system, including but not limited to MWP, first GST, Gender Action Plan, UN Global Accelerator, referencing the role of private sectors, ILO guidelines, OECD Guidelines for Multinational Enterprises, NDC partnership, among others.

India, speaking in its national capacity, also raised its concerns in the use of language such as "global or international partnerships" as the term has been used in other context and there is concern on whether one would consider these partnerships as "just" or not. (India was referring to the Just Energy Transition Partnerships - JETPs). It also raised concerns about the interpretations of just transitions in the room that "higher ambition is inherently just". India said it would agree with it if it is rooted in historical responsibilities and equity as we all agreed that this work programme would be implemented in context of Article 2.2 of the PA. (Article 2.2 of the PA states that, "This Agreement will be implemented to reflect equity and the principle of CBDR- and respective capabilities, in the light of different national circumstances.")

ON HOW WILL UNILATERAL MEASURES BE

#### **DISCUSSED**

**Egypt** for the **G77** and **China** commented that the Group saw opportunities to reflect the issue of unilateral measures in many areas of the decision text and reiterated the importance of discussing the issue in the JTWP.

**Bolivia**, for the **LMDC** suggested that the topic of cross-boundary impacts of unilateral measures be addressed and discussed as a cross-cutting issue in the context of the JTWP by recalling Article 3.5 of the Convention, to key messages from the three dialogues, synergies, operationalization of the work programme and support and international cooperation for just transitions.

The LMDC stressed two of the key messages from the JTWP dialogues which are: (a) The impact of unilateral measures and international trade barriers on countries' economies are barriers and obstacles to developing countries' paths to sustainable development and just transitions and (b) the JTWP should promote international cooperation and address the concerns or disenablers with regard to the climate change-related trade-restrictive unilateral measures, which could affect developing countries' efforts to fight climate change while ensuring sustainable development.

The LMDC further proposed the need to reaffirm that Parties should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, and policy measures for combating climate change should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on the ability of parties to pursue just transitions and requests Parties to analyse, assess and report on the cross-border impacts of unilateral measures taken to combat climate change, recalling Article 3.5 of the Convention.

**India**, in an earlier intervention stated that, "There is agreement between Parties during the adoption of this SB62 agendas, that unilateral measures will be discussed in relevant agenda items, including the JTWP. This is an important issue for India as unilateral measures construe a significant barrier to developing countries in achieving their goals of sustainable development while contributing

equitably to climate action. Such measures are in fact exactly contrary to justice, which is the core of what we are discussing here. We think therefore this must be included in a draft decision."

The **EU** said it "wanted to remind Parties that the framing of "unilateral measures" as the term is "too narrow to describe issues related to climate and trade. We are willing to work on the language." It explained further that the language in the 'response measures' room is that both positive and negative, domestic and cross border impact of response measures to combat climate change and highlighted the need to ensure coherence, nonconfrontation and ultimately maintaining "open, clean and fair markets". The EU said it can find a space to discuss this but it is important not to compromise the 7 elements that Parties had agreed upon in the JTWP decision from Dubai.

The **UK** said "unilateral measures as characterized" cannot have consensus. It said discussion is needed on the seven elements of the Dubai decision and "not on issues not agreed by consensus."

**New Zealand** said it was not clear the characterization of unilateral measures and climate actions are inherently unilateral nature; carbon leakage is a real problem. The expertise on protectionism and trade distortion is a special skill and WTO is the right forum. It said it does not think any decision from COP 30 would add value.

In response to the interventions **Bolivia** for the **LMDC** said the topic of unilateral measures is totally relevant to be discussed in JTWP. If the discussion does not happen in JTWP, it will risk undermining the trust in the process, and the LMDC will pursue this agenda item in Belem, Brazil.

The next joint contact group will take place on Monday, 23 June 2025. The Co-chairs have said that they will circulate a draft text before the next meeting.

How consultations progress are being closely watched.