Views on the process for operationalisation of the Just Transition Mechanism under the UAE Just Transition Work Programme

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From a Latin American perspective, operationalising the Just Transition Mechanism presents a key opportunity to move from dialogue to concrete, actionable outcomes that support equitable, inclusive, and people-centred transition pathways.

Our countries are facing a distinct set of structural challenges amid global transitions. These challenges include high levels of inequality and informal labour markets, and severe fiscal constraints exacerbated by the weight of sovereign debt. Central to these challenges is a deep-seated economic reliance on extractive industries[1], the violation of rights and increasing socio-environmental conflicts related to energy production and the extraction of common goods.

In this context, a just transition should be understood as a socio-ecological transformation, grounded on human rights, rights of nature, and dignity, that emphasises territorial, rights-based, and participatory processes, rather than simply focusing on narrow sectoral reforms aimed solely at reducing greenhouse gas (GHG) emissions. Therefore, the Just Transition Mechanism should not only function as a platform for international cooperation and technical support, but also facilitate inclusive governance, knowledge sharing, and the meaningful involvement of rights-holders and civil society actors. In addition, the Mechanism should consider the UAE Framework for Global Climate Resilience, as well as consider the finance discussions and outcomes (e.g., the work programme on climate finance, including Article 9.1; the Veredas Dialogue on the implementation of Article 2.1.c and its complementarity with Article 9;

[1] This reliance is increasingly reinforced by restrictive legal frameworks. For example, the prevalence of Investor-State Dispute Settlement (ISDS) mechanisms allows the extractive sector to impose significant economic barriers, often litigating against environmental and social regulations that threaten their interests. This dynamic creates a "regulatory chill," where the threat of costly international arbitration hampers the sovereign ability of states to implement the bold climate policies and just transitions their territories require.

and the New Collective Quantified Goal (NCQG), among others) in the understanding that there can be no development or just transition without adaptation and finance.

1. Purpose of the Just Transition Mechanism

CANLA supports the purpose of the Just Transition Mechanism agreed at COP30 to enhance international cooperation, technical assistance, capacity building and knowledge sharing to enable equitable and inclusive just transitions.

Operationalising the Mechanism should prioritise support for developing countries facing structural barriers to implementing just transition pathways. This includes limited fiscal space, high levels of debt, technological constraints and institutional capacity gaps, as well as high climate vulnerability and economic risks posed by the extractive industries, which often curtail the sovereign ability of states to implement bold climate and social regulations.

Evidence from the Sustainable Finance Index (IFS), developed by GFLAC, highlights the magnitude of these structural constraints. The Index shows that across Latin America and the Caribbean, revenues associated with carbon-intensive activities continue to significantly exceed those linked to sustainable sectors, while public budgets directed to carbon-intensive sectors remain substantially larger than those allocated to climate and environmental priorities. In fact, in most countries in Latin America and the Caribbean, sustainable budget allocations represent less than 1% of total public expenditure, while carbon-intensive budgets can exceed 10%. These structural fiscal patterns reinforce economic dependence on extractive sectors and limit the capacity of governments to advance ambitious and socially equitable transition pathways.

In this context, operationalising the Just Transition Mechanism should also contribute to advancing the objectives of Article 2.1.c of the Paris Agreement, which calls for making financial flows consistent with pathways toward low-emission and climate-resilient development. Addressing the structural misalignment of public revenues, expenditures and financial flows is therefore essential to enable countries to pursue just transition strategies aligned with their climate and development commitments.

Therefore, international cooperation under the Mechanism should focus on:

- Supporting countries in developing territorial and sectoral transition plans, integrating the phase-out of fossil fuels. This process must be grounded in the imperative of defossilising the global economy while democratising the energy production to ensure secure and universal access to affordable renewable energy.
- Facilitating access to financial cooperation that does not exacerbate sovereign debt burdens, particularly through loans. This should include a rigorous

assessment of lessons learned from existing Just Transition Partnerships and National Platforms to ensure that financial mechanisms are truly redistributive and fit for purpose.

- Strengthening institutional capacities for inclusive governance and social dialogue, embracing the Earth Charter, and strengthening institutional capacities for inclusive governance and social dialogue, including the reinforcement of essential public services.
- This involves recognising the interconnectedness of ecological health and the intrinsic rights of nature -our *common home*- while establishing robust frameworks to hold the private sector accountable for environmental harm and human rights violations.
- Implementing standardised systems for the systematisation and management of knowledge and information through open data platforms. This will enable civil society to monitor the Mechanism's progress in real-time, increasing institutional transparency and ensuring that just transition pathways are not co-opted by narrow sectoral interests.
- Facilitating knowledge exchange between countries, regions, practitioners and non-Party stakeholders.

The Mechanism should also support countries in integrating these comprehensive just transition considerations into national climate planning and implementation processes, including NDCs, NAPs, long-term strategies and sectoral transition pathways. The integration must ensure that GHG emission reductions are achieved through a socio-ecological transformation that upholds human dignity and territorial rights.

2. Participatory governance of the Just Transition Mechanism

Given the far-reaching social, environmental and economic implications of transition processes, meaningful participation of non-Party stakeholders must be a core feature of the Mechanism. This participation must be part of a broader shift towards transparent, inclusive, and democratic climate governance, ensuring that the public and, particularly, the private sector are held strictly accountable for their climate and environmental impacts.

In this context, transparency in financial flows and decision-making processes should also be a key component of participatory governance, enabling stakeholders to assess whether public and private investments are consistent with just transition objectives and with the goals of the Paris Agreement, including Article 2.1.c.

The Just Transition Mechanism should ensure institutionalised participation of rights-holders, civil society actors, workers and trade unions, Indigenous Peoples, afrodescendants, local communities, children, youth, women, environmental and human rights defenders, civil society organisations, subnational governments and other relevant stakeholders. Furthermore, the Mechanism must establish clear frameworks for accountable governance, providing the tools necessary to monitor and regulate private sector activities to prevent further environmental harm and human rights violations during the transition.

Participation should include opportunities for stakeholders to contribute to agenda-setting, knowledge generation, implementation support and monitoring under the Mechanism. In this regard, the Mechanism could include:

- Structured dialogue platforms bringing together Parties and non-Party stakeholders;
- Regular consultations with rights-holders, affected communities and civil society actors.
- Dedicated participation channels for national, regional and international networks, academia and practitioners working on just transition implementation.

The Mechanism should also promote open, accessible and interoperable data systems that allow civil society, researchers and affected communities to monitor financial flows, investment patterns and fiscal priorities related to the transition. Ensuring transparency in how public resources are allocated and how private investments are mobilised is essential for enabling independent oversight and strengthening public accountability in transition processes. Such transparency can help identify whether resources are being effectively redirected away from carbon-intensive sectors and toward sustainable and socially just transition pathways.

Ensuring meaningful dialogue and accountable participation is particularly important in Latin American countries, where transition processes often intersect with territories historically affected by extractive activities and socio-environmental conflicts and impacts. Without inclusive and democratic governance, transition policies risk exacerbating inequalities and generating new forms of environmental injustice. Central to this inclusive governance is the requirement that corporate actors are held responsible for the social and ecological costs of their operations, ensuring they do not evade their obligations through lack of transparency.

Regarding participation modalities, the dialogues and consultations should be organised in a hybrid manner, accommodating different time zones and be open for observer and civil society organisations' participation.

3. Territorial engagement and subnational articulation

Just transition processes are deeply territorial. The impacts of energy transitions, industrial restructuring and common goods extraction are often concentrated in specific regions and communities.

In many cases, these territories are also fiscally dependent on extractive activities and carbon-intensive sectors, which creates additional structural barriers to implementing transition policies at the local and regional levels. Evidence from the Subnational Sustainable Finance Index (SSFI), developed by GFLAC, shows that public revenues and expenditures in many subnational governments remain strongly linked to carbon-intensive sectors, highlighting the fiscal and financial challenges of advancing territorial transition strategies. This type of analysis also illustrates the importance of strengthening data systems and analytical capacities that allow governments and stakeholders to identify structural fiscal dependencies and design more effective territorial transition strategies.

In this sense, the Just Transition Mechanism should facilitate stronger engagement with subnational governments, local authorities, Indigenous Peoples, afrodescendants and other territorial actors, recognising their role in designing and implementing climate policies and managing the social, environmental and economic impacts of transition processes. In particular, the Mechanism could:

- Support the development of regional and local just transition roadmaps;
- Facilitate exchanges between subnational governments and practitioners working on territorial transition planning;
- Promote knowledge sharing and multi-level governance arrangements that enable coordination between national climate strategies and territorial implementation.

In the Latin American context, regional frameworks such as the Escazú Agreement provide important precedents for strengthening environmental democracy through access to information, public participation and access to justice in environmental matters. The principles reflected in such frameworks could inform the design of participatory governance mechanisms under the Just Transition Mechanism. Moreover, Latin America remains one of the most dangerous regions for environmental defenders, which underscores the importance of ensuring safe and meaningful participation of communities and civil society actors in transition processes.

4. Scope and content of consultations under the Mechanism

Participation requires clarity on the scope and substance of the consultations undertaken under the Mechanism, and not only institutional spaces for engagement.

In this regard, consultations should focus on the social, economic, environmental and territorial implications of transition pathways, particularly in sectors and regions undergoing structural transformation and impacts. Crucially, this scope must adopt an intergenerational lens, recognising that children, adolescents, and youth are disproportionately affected by long-term climate trajectories and the legacy of extractive models.

Under the Mechanism, consultations could address, inter alia:

- Pathways for the equitable and just phase-out of all fossil fuels and the socio-economic implications for workers and fossil-fuel-dependent regions;
- Strategies to accelerate the deployment of renewable energy as a cornerstone of a fossil-fuel phase-out, ensuring tangible local benefits and improved access to affordable and reliable energy;
- The protection of the rights of children, adolescents, and youth within transition pathways, ensuring that climate actions prioritize intergenerational equity and the safeguarding of environmental health for future generations;
- Governance challenges associated with the expansion of transition mineral extraction, including human rights protection and benefit-sharing;
- Processes to ensure Free, Prior and Informed Consent (FPIC) and meaningful participation of Indigenous Peoples, and protections for Indigenous Peoples in Voluntary Isolation and Initial Contact, in line with paragraph 12 (i) and 18 of the UAE JTWP (Decision 2/CMA.7).
- Strategies for territorial economic diversification and just labour transitions that create dignified, long-term opportunities for young people, preventing forced migration and economic displacement;
- Strategies to address the fiscal and economic dependence of many regions on fossil-fuel and extractive sectors, including policies that support the gradual diversification of public revenues and local economies toward sustainable sectors, including the use of analytical tools and fiscal assessments that help identify structural dependencies on carbon-intensive sectors and inform evidence-based transition planning at national and subnational levels
- Policy approaches to prevent the emergence of new extractivist dynamics or sacrifice zones in the context of the energy transition to avoid the perpetuation of territorial injustices that compromise the life projects of younger generations;
- Approaches to promote fair trade and international cooperation, recognising international trade as a driver of development and enabling just transition pathways in developing countries, particularly those dependent on commodity exports.
- Consultations could also examine the financial dimensions of transition pathways, including the need to align public budgets, fiscal systems and

investment flows with climate and sustainability objectives, in line with Article 2.1.c of the Paris Agreement.

By ensuring that consultations address these substantive issues, among others, the Mechanism can help identify concrete barriers, challenges and opportunities for implementing just transition pathways in different regional contexts. Integrating the framework of General Comment No. 26 ensures that the Mechanism's outcomes are legally and ethically robust, fostering a socio-ecological transformation that secures the rights of current and future generations.

5. Relationship between the Just Transition Mechanism and the Just Transition Work Programme

The relationship between the Just Transition Mechanism and the Just Transition Work Programme should be complementary and mutually reinforcing.

While the JTWP has played a relevant role in facilitating dialogue and knowledge exchange, the creation of the Just Transition Mechanism offers an opportunity to strengthen the implementation dimension of international cooperation on just transition.

In this regard, while the JTWP could serve as a knowledge-sharing and learning platform, the Mechanism should facilitate coordination, support and implementation of just transition initiatives. To maximise its impact, the Mechanism must establish strong synergies and linkages with other international processes and political milestones. Specifically, it should incorporate the outcomes and principles established at the International Conference for a Just Transition Away from Fossil Fuels, which underscores the technical and political necessity of planning for a coordinated phase-out of extraction.

Furthermore, the Mechanism should seek coherence with emerging global efforts that address the supply side of the climate crisis, such as the Fossil Fuel Non-Proliferation Treaty initiative. By aligning its operational focus with these frameworks, the Mechanism can ensure that international cooperation leads to a just, equitable, popular and inclusive transition, and is also sufficiently ambitious to meet the 1.5°C goal.

Ensuring coherence between both processes and these broader global initiatives will be crucial to avoid duplication, address the structural drivers of the climate crisis, and maximise the impact of international cooperation efforts.

Closing remarks

For Latin America and the Caribbean, implementing the Just Transition Mechanism presents an opportunity to enhance climate ambition and action while addressing structural inequalities, strengthening democratic participation, and promoting sustainable development pathways. Achieving this objective will also require addressing the structural financial constraints faced by many countries in the region, including fiscal dependence on extractive industries, limited access to concessional finance and the predominance of loan-based climate finance

Central to this vision is the requirement that the transition ensures positive and sustainable peace and prevents the emergence of new resource-related conflicts. We must recognise that the current exploitation of resources—particularly the rapid expansion of critical mineral extraction—has already triggered significant socio-environmental conflicts in resource-rich regions, disproportionately impacting Indigenous territories.

To achieve this goal, the Mechanism spirit should be guided by equity and inclusive governance, guaranteeing meaningful participation and inputs from non-state actors. This necessitates a rights-based governance framework to guide the development of transition supply chains, ensuring full transparency, unconditional respect for community consent, and rigorous environmental stewardship. By taking into account the expertise of frontline community experts, civil society organisations, observers, and academia, the Mechanism can foster international cooperation that does not sacrifice territorial integrity for global technological shifts.

We are committed to contributing regional perspectives and practical experiences to support the successful implementation of the Just Transition Mechanism, ensuring that the pathways to a just transition protect both the environment and human rights, ensure social participation, while fostering a future of positive peace and shared prosperity across our territories.