

Strengthening Central Asia's Climate Commitments: A Just Transition Approach to NDC 3.0

ANNA ARKHANGELSKAYA, UNDP KYRGYZSTAN CONSULTANT

ETF SKILLS LAB NETWORK OF EXPERTS | 11 JUNE 2025

What is Just Transition?

- Climate action to mitigate the impacts of climate change and achieve the objective of the Paris Agreement **requires transformative action to a low-carbon and climate-resilient world.**

This transformation will come with **systemic challenges and opportunities.**

A **just transition provides pathways to capitalize on the opportunities and minimize its potential negative impacts**, using climate action as a catalyst towards enduring, low-carbon, climate-resilient economies.

International recognition for a just transition

- The Paris Agreement acknowledges ***“the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities”***
- In 2015, ILO published ***Guidelines for a just transition towards environmentally sustainable economies and societies for all***
- At COP28, a ***work programme on just transition pathways*** was created

What is Just Transition

- Recognizing that transitions are often **disruptive** and **deliberate** effort is needed to make them smooth.
- Context specific, locally defined
- ***Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating socio economic opportunities and leaving no one behind***
- *At its core, its about a **principle**, a **process**, and a **practice** of embedding equity, justice into climate action.*
- Making socio-economic sense of the 1.5 temperature goal

Brings the public along and leaves no one behind

Drives contextualized local solutions

Creates opportunities for social, and human development (co-benefits and SDGs) e.g., net job gain of 24 million by 2030 (ILO)

If managed well, turn climate action into an economic and social development opportunity.



Why is it important



Benefits of a just transition

Delivering benefits to local communities and society

Efforts to minimize negative impacts and capitalize on positive impacts of climate action can **benefit communities, especially vulnerable groups**.

Giving way to systemic change

Through adequate policy and institutional transformation, a just transition can lead to systemic change.

Increasing social buy-in towards further climate action

Implementing a just transition, coupled with adequate communication, is crucial to **gaining social buy-in** from the population, who may have negative perceptions of climate action due to potential negative impacts—both perceived and real.

Attracting finance

Elaborating just transition frameworks can **increase the confidence in multilateral and private investors** seeking for just transition alignment in their climate investments.

Just transition and the NDC

A just transition can **offer immense opportunities** and **mitigate the social drawbacks of transitioning**, if implemented effectively.

Aligning a country's Nationally Determined Contributions (NDC) with just transition principles can ensure **a cohesive approach**.

The **appropriate policies** are a key factor, guided by **adequate assessment and planning**.

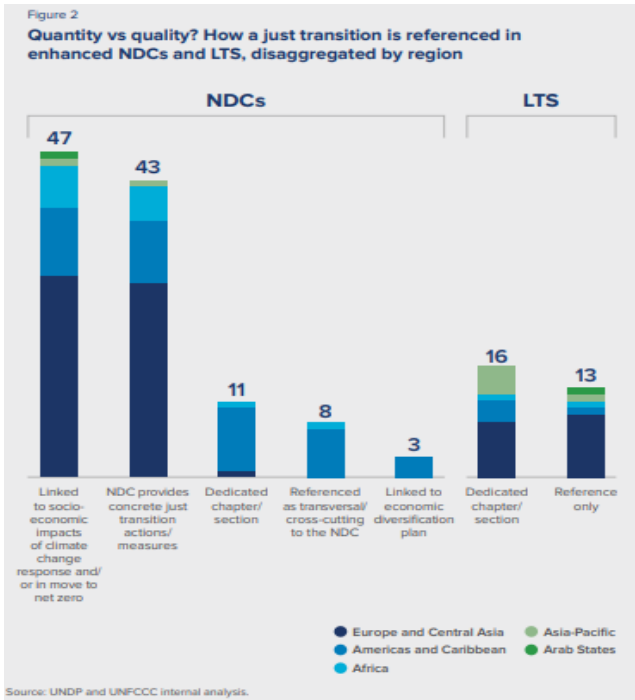
- NDCs should serve as blueprints for inclusive development

Global State of Play - NDC 2.0



The importance of just transition is now recognized, with the principles reflected in 38% of the NDCs, 79% of long-term strategies, and a growing number of high-profile global initiatives

More, however, can be done to anchor just transition in climate plans – only 17% of NDCs and 55% of LTS have dedicated sections on this key issue

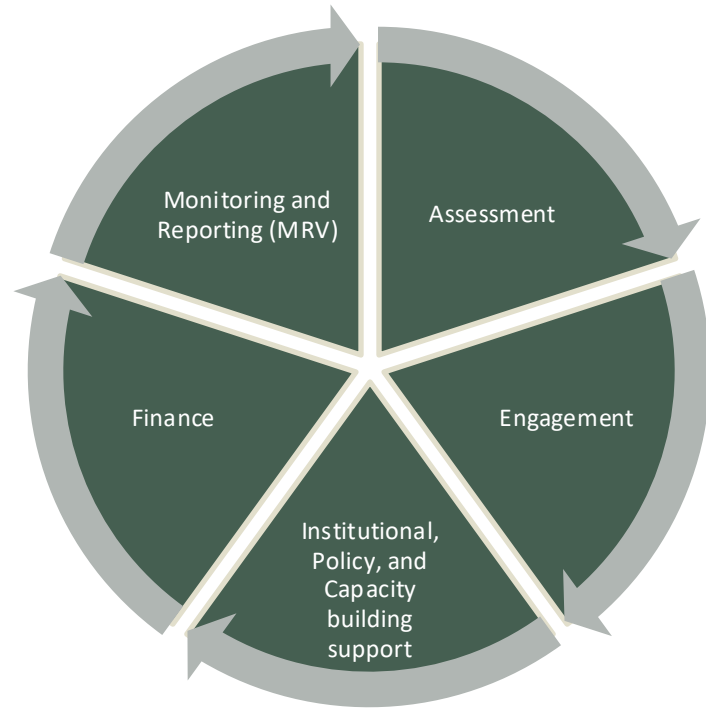


For more analysis

Last update: 31 October 2022

Key entry points to embed just transition into NDCs

As countries worldwide continue to update and implement their NDCs and LTS, there is the opportunity to embed the principles, processes, and practices of just transition within them, and drive greater climate action



Embedding Just Transition in NDC 3.0

- **Policy Coherence**

Align climate, labour, education & social policies; ensure inter-ministerial coordination.

- **Inclusive Dialogue**

Engage workers, youth, women, and private sector in NDC design and implementation.

- **Skills & Workforce Planning**

Anticipate green jobs; modernise TVET and qualifications for low-carbon sectors.

- **Territorial & Sectoral Planning**

Support vulnerable regions and tailor transition plans to local and sectoral needs.

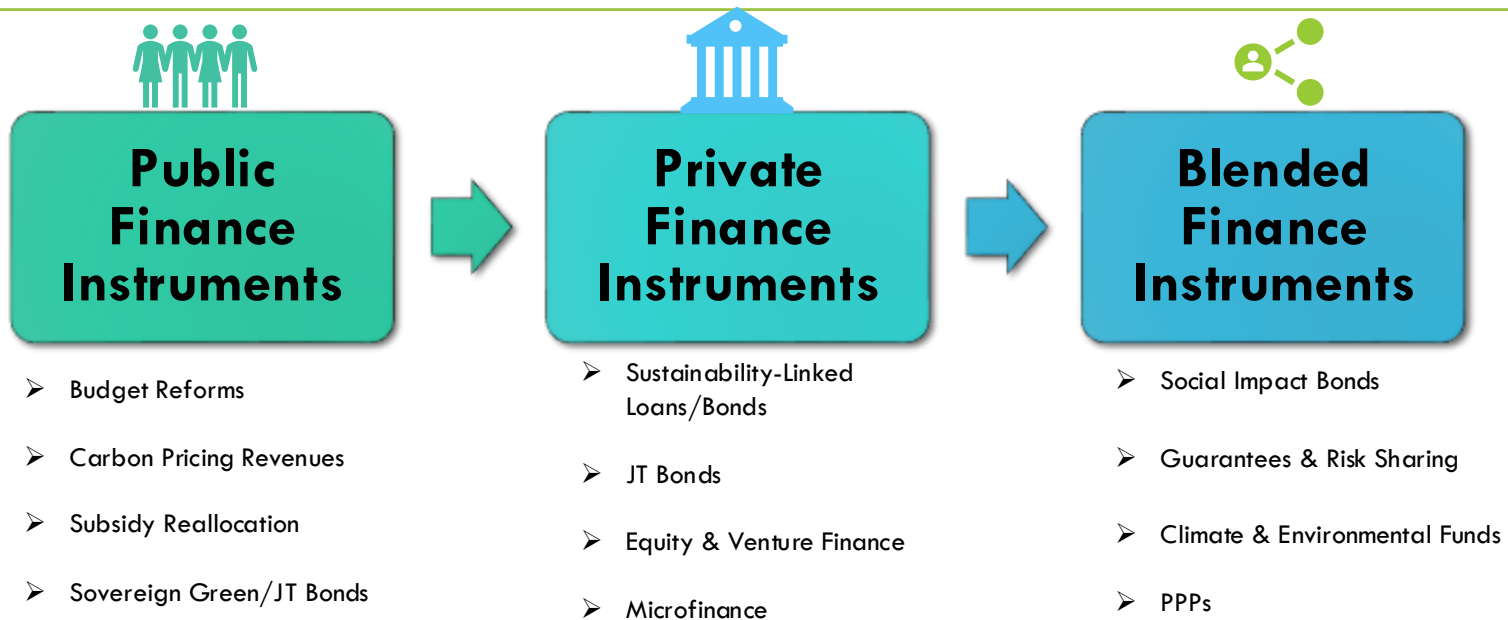
- **Financing Mechanisms**

Mobilise climate, social and skills financing for just transition priorities.

Embedding Just Transition in NDC 3.0

Financial Solutions for JT

Possible financial solutions for the Just Transition in Central Asia



A Just Transition Framework (UNDP experience in Kyrgyzstan)

Just Transition Readiness Assessment was conducted in 2024 in 3 sectors: Energy, Transport and Agriculture.

Just transition is being incorporated in NDC 3.0 as one of the guiding principles, recognizing the need to balance environmental objectives with social and economic ones, especially in vulnerable regions and sectors such as agriculture and energy.

Conclusion: Key Recommendations for NDC 3.0 Teams

- Conduct a Just Transition Readiness Assessment.
- Add a dedicated chapter or annex on just transition in NDC 3.0.
- Include quantified targets for jobs, skills, vulnerable groups.
- Use NDC 3.0 as a platform to unlock blended finance for inclusive climate action.
- Involve ETF and national skills councils in scenario planning and sectoral roadmaps.
- Central Asia can lead by showing how ambition, inclusion, and innovation go hand in hand.
- **Let's turn NDC 3.0 into an engine of green and decent work, with no one left behind!**

Thank you!

anna.arkhangelskaia@undp.org

Appendix

Overview of Financial Solutions

Public Finance Instruments	<i>Tax Benefits</i>	Tax deductions or credits supporting JT projects like clean energy and worker retraining.
Public Finance Instruments	<i>Hard to Abate Industry Subsidy Reform</i>	Phasing out harmful subsidies and reallocating support to low-carbon, socially inclusive sectors.
Public Finance Instruments	<i>Expansion of Existing Government Spending Schemes</i>	Increasing funding for safety nets, retraining, and regional economic development.
Public Finance Instruments	<i>Carbon Pricing Instruments</i>	Using carbon pricing revenues to fund green jobs and community resilience projects.
Public Finance Instruments	<i>Central Bank Refinancing</i>	Offering low-cost refinancing to banks supporting JT-aligned investments.
Public Finance Instruments	<i>Policy-based Financing</i>	Tying loans to implementation of JT policies like worker protections and clean infrastructure.
Public Finance Instruments	<i>Government Bonds</i>	Issuance of sovereign bonds to finance green infrastructure and retraining programs.
Public Finance Instruments	<i>Grants</i>	Direct funding to communities, workers, and businesses supporting JT outcomes.
Private Finance Instruments	<i>JT Bonds</i>	Bonds issued for financing projects that deliver climate and social justice outcomes.
Private Finance Instruments	<i>Sustainability-Linked Bonds and Loans</i>	Debt instruments with terms linked to achieving JT targets like low-carbon transition with job protection.
Private Finance Instruments	<i>Sustainable Lending</i>	Loans directed toward projects combining environmental goals with social inclusion.
Private Finance Instruments	<i>Microfinance</i>	Small loans to vulnerable communities for access to green technologies and sustainable livelihoods.
Private Finance Instruments	<i>Equity Investments in JT Finance</i>	Equity stakes in projects and companies advancing JT objectives like retraining and community investment.
Blended Finance Instruments	<i>Social Impact Bonds</i>	Investor-funded projects repaid by government if social outcomes (like worker reskilling) are achieved.
Blended Finance Instruments	<i>Guarantees</i>	Risk mitigation instruments encouraging private investment in JT projects.
Blended Finance Instruments	<i>Transition Credits</i>	Credits supporting industrial transition while safeguarding worker and community interests.
Blended Finance Instruments	<i>Climate and Environmental Funds</i>	Pooled investment funds supporting large-scale JT projects like ecosystem restoration with job creation.
Blended Finance Instruments	<i>Public-Private Partnerships</i>	Collaborations financing JT initiatives like renewable infrastructure with social safeguards.
Blended Finance Instruments	<i>Export Credits and Guarantees</i>	Credit support for exports aligned with JT objectives, promoting green and inclusive technologies.

