

An urban just transition

Issue Brief

C4O
CITIES

October 2024



This **Issue Brief series** covers key policy issues for cities advancing a just transition and creating good green jobs.

Designed for mayors, city staff and national policymakers, the briefs provide key facts, figures and messaging as part of C4O's good, green jobs and just transition mission, supporting mayoral ambition to drive the [delivery of 50 million good green jobs](#) in partnership with government, workers, unions, youth, business and residents.

To read the other Issues Briefs, see [here](#).

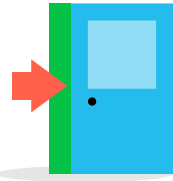


What is a just transition?

A **just transition**¹ means greening the economy in a fair and inclusive way, creating and safeguarding decent work and career pathways, and leaving no one behind.

It includes maximising the social and economic opportunities of climate action, while minimising and carefully managing challenges – including through social dialogue² among all groups impacted, respect for fundamental labour principles and rights, and social protection.

Why this matters: urban just transition



Seizing the green opportunity fairly

Tackling the climate crisis will protect people and the planet while unlocking huge economic and human potential, including [US \\$43 trillion](#) in economic growth globally, [a third more jobs](#) compared with a business-as-usual approach, and improved livelihoods. Investing in inclusive urban climate action drives emissions reduction and major returns for society. C40's latest [analysis](#) shows that nearly 16 million green jobs are now in global megacities, demonstrating the importance of mayors' focus on green job delivery. The green transition when planned and delivered fairly in cities can also drive inclusive and sustainable investment [opportunities](#), making cities more attractive for investment and talent.



Urban inequalities

Climate action must prioritise equity and social inclusion to lead to sustainable outcomes, transformative change, and climate-resilient development. If the transition isn't fair, we risk entrenching [existing](#) inequalities, particularly in [urban areas](#) where inequality is already highest. It is not simply the right thing to do from a justice perspective, it is also the most effective, as highlighted in the [IPCC AR6 report](#). It is therefore critical to localise climate action response, prioritise equity and just transition approaches in urban climate planning and implementation to protect marginalised and vulnerable residents and workers and safeguard human and labour rights.



Climate action pushback

The growing inequalities can lead to significant climate action pushback with fairness being consistently linked to [public support](#) for climate action. A lack of fairness could both slow the climate ambition of mayors and lead to weaponisation of the climate debate, creating distrust in democratic institutions and multilateral systems. Therefore, a just transition is needed for social licence, local social cohesion and global security.

This urban just transition approach is gaining support, but this issue brief outlines the challenges and solutions to ensure cities can effectively implement it swiftly and at scale.



"There is no one size fits all, and each solution *needs* to adapt to each context, developed or developing, urban or rural."

— Simon Stiell, Executive Secretary of UN Climate Change

Credit: AmiraGrotendiek

In focus

Prioritisation in global agendas and local dynamics' recognition

With the [Just Transition Work Programme \(JTWP\)](#) established at COP27, gaining recognition at COP28, demands for a just transition have gathered significant momentum and become a key priority for the UN. Often seen as a national issue, the urban context is getting noticed, as [highlighted](#) by UNFCCC's Executive Secretary.

The First Dialogue under JTWP in June 2024 [emphasised](#) the vital role of local

governments in shaping equitable climate strategies, acknowledging their unique insights into community needs and localised solutions. It highlighted the importance of inclusive policymaking, early engagement, and multilevel partnerships to ensure just transition strategies are socially acceptable, comprehensive, and well-integrated into national planning efforts. The Dialogue also recognised C40 Cities as a key partner in accelerating a just transition.

The crucial role of cities

As the closest level of government to residents and with a unique understanding of local dynamics and vulnerabilities, cities are just transition implementers. Home to large populations and economic hubs, with authority over

key climate sectors, they bring together impacted communities, workers and unions, and businesses in a social dialogue. **Urban just transitions turn high-level strategies into tangible benefits for residents and workers.**

Cities achieve this by:



Having a deep understanding of local dynamics

Cities have the local knowledge to support the transition in their communities while protecting those most impacted. By aligning climate investments with development initiatives and skills programmes, they ensure that local economies can adapt and thrive, creating green jobs and building resilience.



Fostering social dialogues & community engagement

Cities collaborate with workers, unions, businesses, residents and other key stakeholders to ensure that climate action, addresses their specific needs, and taps into valuable local knowledge. They embed decent working conditions and labour rights into municipal procurement and establish innovative governance models to facilitate dialogue with unions and workers, including informal workers.



Partnering with informal workers

Cities work towards improved working conditions, increased salaries and recognition for informal workers as critical contributors to urban just transitions.



Driving good, green jobs & equitable skills opportunities

As green jobs and skills hubs, cities design accessible training and green job opportunities for fossil fuel industry workers, informal workers, migrants, women, youth, and marginalised communities.



Multilevel partnerships for a just transition

Cities work with other levels of government to ensure just transition strategies are holistic and responsive to the local needs and market.




Bogotá conducted a quantitative workforce assessment of the local economy, which established that women are and will be underrepresented in the green economy. As a result, the city established a dedicated **programme** to help disadvantaged women become e-bus drivers.




Bogotá is training women as e-bus drivers, and in **Salvador** women are being trained as solar power installation experts. **Seattle** recruits women, people of colour, and low-income groups in construction, electrification, and solar installation. **Dar es Salaam** works with migrants and refugees in the waste management and circular economy



Accra supports waste workers associations with better conditions, job security, social insurance – including health and life insurance – and dignity promoted through campaigns. **Rio de Janeiro** improves conditions for waste pickers and recycling in informal settlements while **Addis Ababa** and **Freetown** prioritise gender to empower informal women workers and alleviate climate impacts.



Los Angeles' Just Transition Task Force supports a city-wide just transition approach to include and aid workers in the fossil fuel phase-out process, while **Ekurhuleni's** Just Transition Commission will facilitate a multi-stakeholder dialogue. **Bristol** endorsed just transition principles, put forward by community campaigners.



Since 2021, C40, the South African Local Government Association (SALGA), and the **Presidential Climate Commission** (PCC) have collaborated, leading to the appointment of the Mayors of **Cape Town** and Tswelopele as Commissioners and the recognition of municipalities within the **Just Transition Framework**. **Quezon City**, in partnership with the Department of Agriculture's Agricultural Training Institute, launched the Center for Urban Agriculture and Innovation to develop diverse urban farm models and offer training for various stakeholders.

Facts and figures

40%

of all jobs are at risk due to climate breakdown with over

2.4 billion

workers facing excessive heat and millions more exposed to ultraviolet radiation, air pollution, and pesticides annually.



The International Labour Organization (ILO) estimates that

100 million jobs

can be created by 2030 through the transition to the green economy, leading to a **net creation of**

↓ 25 million jobs

and that **70% of jobs potentially affected** can be through labour reallocation, **training, and other active labour policy measures.**

The World Economic Forum cautioned that

only 13% of the global workforce

- primarily in formal work - has the skills for the upcoming green jobs.

C40 analysis shows that

mayors are delivering on their word,

with nearly **16 million green jobs** now in the analysed cities, **10% of all jobs**, with the highest rates in public transport, waste, electricity and construction sectors.

An estimated

US \$500 trillion

global financial system is needed to make the just transition a reality. The IPCC has identified that for a successful transition, cities must have access to just transition funds, but average annual climate finance flows to cities are estimated at **only 7-8% of the required amount.**

Out of a total of 63 sources of funding for climate action and/or social protection, assessed for their suitability and accessibility for cities in a [forthcoming] C40 report,

only three funds provide direct access.



Only 38%

of NDCs have just transition references, with **19** countries having established just transition commissions.

At least 30%

of NDCs still lack urban references and **65% of the SDGs** may not be fully achieved without the involvement of urban and local actors.



According to the ILO,

60%

of the global workforce and between

50%-80%

in the **Global South** work in the **informal sector**, predominantly in cities.

Globally, only **52%** of the population is effectively covered by at least one social protection benefit, with Africa having the lowest coverage.



However, 3.8 billion people remain entirely unprotected. If progress continues at the current rate, it will take another

49 years

- until 2073 - for everyone to be covered by at least one social protection benefit.

What mayors need others to do

Mayors and cities are stepping up, urging national leaders for the support needed to protect and deliver for residents. While policies will vary by region, key actions include:

National governments

Recognise cities as just transition implementers and support multilevel partnerships

- Create national Just Transition Commissions and Frameworks with city leadership included and support cities in scaling up and replicating successful just transition programmes.
- Make sure all Nationally Determined Contributions (NDCs) 3.0 address the need for a just urban transition, working with cities under the [CHAMP](#) initiative.
- Devolve powers over skills and social protection to cities, enabling them to shape local workforces in social dialogue with unions and safeguard workers and communities.
- Ensure that a just transition and city leadership are accounted for in existing and future global treaties/commitments, such as the [Global Plastics Treaty](#).

National governments

International organisations

Finance institutions

Unlock upfront finance for an urban just transition

- Commit to allocate at least 40% of upfront climate investments for cities to channel to low-income communities and those affected by the transition³ (see our issue brief on Informality & Green Transition).
- Establish common principles and metrics for just transition finance to help guide investors, accelerate investments and enable measuring progress.
- Introduce financial support needs for a just transition in NDCs to facilitate roadmap development and public and private investments.

National governments

Support clean energy for all and eradicate energy poverty

- Support cities in securing universal clean energy access and scale up building energy efficiency measures to tackle energy poverty and social exclusion.
- Involve cities in phasing out fossil fuel subsidies with policies and powers for cities to safeguard residents, and commit to the equitable phase-out of *a//* fossil fuel subsidies in NDCs 3.0.
- Provide financial support or cash transfers to the affected communities or workers and expand existing social protection schemes.

National governments

Localise social protection and mainstream gender and human rights

- Involve cities and unions in the design and implementation of social protection and active labour market policies⁴ to localise actions and policies, while supporting them to improve local infrastructure and services.
- Mainstream gender-responsive and human rights-based approaches and the respect for labour rights in climate policymaking.





For further insight into the role of local governments in just transitions, please consult the following C40 resources:

- [Achieving the Just Transition: A Toolkit for City Leaders Across the Globe](#)
- [South African Cities Dialogue: Outcomes Report](#)
- [Global Green New Deal: Outcomes Report](#)
- [Barriers to action: Gaps in financing for a just transition, social protection, and loss and damage in cities](#)

Endnotes

- 1 See the International Labor Organization's [Guidelines](#) and C40's [Just Transition Toolkit](#) for more details.
- 2 Social dialogue is defined by the [ILO](#) as all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, workers and unions, on issues of common interest relating to economic and social policy.
- 3 The current lack of integration of just transition principles into finance and access for local governments has a knock-on effect on cities' ability to plan for and implement inclusive climate action at scale. The [IPCC](#) emphasises that climate finance is critical for a successful global low-carbon transition, with support needed at global, national, and local levels. National policies and funding should prioritise subnational regions, including cities, to ensure a just transition at the local level. Successful initiatives across different levels of government include the federal [Justice40](#) in the US, [California's](#) state-level allocation of 35% cap-and-trade revenue to disadvantaged communities, and [Denver's](#) local policy dedicating 50% of tax-generated funds to equity-focused projects.
- 4 Active Labour Market Policies (ALMPs) are government programmes that intervene in the labour market to help the unemployed find work, and support the underemployed and employees looking for better jobs. In contrast, passive labour market policies fund unemployment benefits and early retirement.