

POLICY BRIEF

No. 39, 2023

Leaving No One Behind in Carbon Neutrality Strategies: Insights from Developing Countries in Asia and the Pacific

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Highlights

Carbon neutrality strategies hold great promise for achieving the climate goal of limiting global warming to 1.5°C. The challenge is to adopt strategies favouring inclusive, resilient, and sustainable measures, conforming with the principle of leaving no one behind. Placing this principle at the centre of such strategies helps developing countries in Asia and the Pacific manage unintended, unequal, and unjust effects on vulnerable groups.

Recommendations:

- Sustain decent work and reinforce labour rights to mitigate disruptions caused by the transition.
- Combine climate initiatives with social protection measures to maintain an adequate standard of living for all.
- Promote investments in inclusive climate projects and establish financial inclusion regulations.
- Establish a people-centred and gender-sensitive monitoring, reporting, and evaluation process.

Inclusive Pathways for Carbon Neutrality

Limiting the global temperature rise to 1.5°C requires carbon neutrality by mid-century (IPCC 2018). Yet the path toward decarbonisation can increase vulnerabilities and entrench inequalities — implementing progressive energy and climate policies (e.g., clean energy transition and decarbonising the energy sector) can result in economic displacement and ecosystem disservices (Sovacool et al. 2021). It is critical to prevent such outcomes. Leaving no one behind (LNOB) is a guiding principle of the 2030 Agenda — a commitment to “eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and humanity as a whole” (UNSDG 2022: 5). The Paris Agreement addresses the issue of inclusion by emphasising equitable access to sustainable development, eradication of poverty, just transition of the workforce, human rights, right to health, rights of indigenous people, gender equality, and intergenerational equity (Preamble). As of 2022, among developing countries in the Asia-Pacific region, 34 had declared carbon neutrality or net zero pledges (ESCAP 2022), and eight had submitted long-term low greenhouse gas emission development strategies (LTSs or LT-LEDs) under Article 4 of the Paris Agreement. With more countries formulating LTSs, there is an urgent need to identify and implement approaches for realising LNOB as part of these

policies. This policy brief offers strategies to operationalise LNOB in climate policies, focusing on developing countries. It is based on key areas of progress identified in the LTSs of eight developing countries in Asia and the Pacific (see Note). The region is highly susceptible to climate-related disasters and characterised by high income inequality, which has been exacerbated by the COVID-19 pandemic (World Bank 2022). This underlines the urgent need to deliver inclusive carbon neutrality in tackling climate challenges.

Progress on Operationalising Carbon Neutrality Strategies

LNOB is grounded in normative standards on equality and non-discrimination, including international human rights law, the UN Charter, the Universal Declaration of Human Rights, the Declaration on the Right to Development, and the labour conventions (UNSCEB 2017). LNOB, therefore, encompasses three concepts in addressing horizontal and vertical inequalities: (i) equality in opportunities and outcomes; (ii) multiple and intersecting forms of discrimination; and (iii) equity and fairness (UNSCEB 2017).

On opportunities and outcomes, the net change in employment resulting from climate mitigation in the Asia-Pacific region is estimated at around 14.2 million by 2030, with high potential risks of economic displacement, and gender and geographical inequalities in non-renewable energy industries (ILO 2019). The region's labour market has considerable gender inequality, with women more likely to be unemployed or in vulnerable employment — transitions to green jobs must ensure that sectoral and occupational segregation is not perpetuated (ILO 2019). Inequality in access to land, insecure land tenure, and limited legal recognition of indigenous peoples are challenges for countries in delivering equitable climate solutions (ESCAP 2022). This policy brief focuses on these inequalities due to their high risks and relevance to the Asia-Pacific region.

Six of the eight developing countries in the region with LTSs have acknowledged the pressing need to address gender and inclusion issues through climate action (Cambodia, Fiji, Indonesia, the Marshall Islands, Nepal, and Tonga). The extent to which LTSs incorporate gender equality and the level of detail vary across countries. Fiji and the Marshall Islands emphasise women's engagement in decision-making as well as empowerment through capacity building and technology transfer. Nepal underlines the need to consider gender whilst designing and implementing mitigation strategies. Tonga undertakes efforts to mainstream gender across government policies, programmes, budgeting, monitoring, and evaluation.

Countries elaborate strategies to reduce spatial or geographical inequalities between rural and urban areas through various approaches: agroforestry (Cambodia), green towns and communities (China), energy and sanitation (Fiji and Nepal), and food and land-use systems (Indonesia). Improving access to education, water, sanitation, and healthcare is a common theme across LTSs. There is limited implementation of social protection systems as part of climate strategies to reduce inequalities, despite commitments to increase government spending on welfare benefits (Thailand) and implement social safeguards (Cambodia).

Countries envision a broad economic structural transformation to promote low-carbon development. Their strategies to strengthen governance, regulation, accountability, and the rule of law in the economic sphere generally focus on industries and companies. These include strengthening market mechanisms to control greenhouse gas emissions (China); large-scale public-private risk reduction and economic diversification through government insurance (Cambodia); and incentives and access to capital for domestic companies (Indonesia). There is a need to broaden access to financing for vulnerable, marginalised, and excluded communities, such as small farmers and the informal sector.

Policy Recommendations

Some other developing countries are in the process of formulating LTSs. The Conference of the Parties to the Paris Agreement has urged countries that have not communicated their LTSs to do so in time for COP28 in 2023. The following recommendations are for policymakers in developing countries to build an enabling environment for operationalising LNOB in LTSs and climate policies.

1. Sustain decent work and reinforce labour rights to mitigate disruptions caused by the transition

Efforts to create green jobs should go hand in hand with creating greater opportunities for decent employment and income for women and men, youth, older people, and other vulnerable populations. In developing countries in Asia and the Pacific, energy, agriculture, forestry, and fishing are critical sectors for advancing environmental sustainability and decent work to mitigate transition disruption (ILO 2019). Indonesia is developing a social sustainability assessment framework to ensure inclusive coal transition at different scales, including the national level, in coal-producing regions, in local communities, and by coal companies (GOI 2022). Policymakers must ensure equal access to green jobs through open information sharing and capacity building. Fiji, for example, is greening its national technical vocational

education and training programmes that focus on renewable energy and resilience (GOF 2018). Moreover, to limit spatial differentiation and uneven development, policymakers must strengthen environmental regulations in targeted industries and sectors, occupational safety and health policies, and labour market policies that limit job loss and promote skills development. Such policies require policy coherence and institutional arrangements across multiple ministries, multi-stakeholder partnerships, and a dialogue mechanism. The Philippines operationalised its Green Jobs Acts by integrating green jobs and addressing just transition issues in national policies, including the 2017–2022 Philippine Development Plan and its Nationally Determined Contribution. It has also conducted high-level policy forums to facilitate integration and piloted a green business training programme (ILO 2019).

2. Combine climate initiatives with social protection measures to maintain an adequate standard of living for all

Socially just climate action is essential for ethical reasons and to secure necessary support from the population. Social protection policies can help to reduce poverty, provide income security, address the negative impacts of climate change, and maintain an adequate standard of living for all. For example, social protection safeguards workers from the adverse effects of economic restructuring and resource constraints of climate action (ILO 2019). Policymakers in countries with limited or no nationwide social protection systems must couple subsidy and social protection reforms, effectively supporting vulnerable groups to use transformation toward carbon neutrality as a stepping stone to escape poverty. The Philippines removed energy subsidies and introduced energy taxes with an electricity discount for senior citizens, cash transfers to marginalised groups, and a public transport assistance programme (IISD 2014). Similarly, when implementing carbon pricing, compensation mechanisms are needed to protect vulnerable groups from adverse income shocks. The impact of a transition to green jobs should be softened by introducing unemployment insurance and benefits. Where such insurance and benefits do not exist, temporary poverty-targeted cash transfer is an option to protect vulnerable groups.

3. Promote investments in inclusive climate projects and establish financial inclusion regulations

Vulnerable people often face under-investment in areas where they live. Policymakers should use evidence to strengthen advocacy for investments in inclusive climate projects. Prioritising marginalised groups in sector policies or supporting explicit targeting strategies for established projects, such as water, sanitation, and hygiene, can

be a building block for inclusive climate policies and more climate-resilient outcomes. This action should be supported by developing investment plans and analysing available financial resources. Good sector and cross-sector investment plans can illustrate the benefits of applying financial resources to different investment scenarios to reach multiple targets simultaneously. Policymakers should establish clear principles for these plans, including consideration of national climate targets, targets for vulnerable groups, gender equality, and the initial capital investment and life-cycle cost of implementation.

Establishing a regulatory framework for financial inclusion is necessary to lift the marginalised out of exclusion, close the gender gap, and build a sustainable path out of poverty. Policymakers should start by measuring the extent to which vulnerable population groups have access to formal financial instruments. Designing inclusive financial regulations can assist mainstreaming LNOB into government budgets and budget tracking mechanisms, effectively institutionalising LNOB into climate and development planning ecosystems. For example, since 2020, Indonesia has expanded its ministerial climate budget tagging mechanism to include gender-responsive climate budgeting (CIFOR 2020).

4. Establish a people-centred and gender-sensitive monitoring, reporting, and evaluation process

The main approaches for tracking just transition are data-driven analysis, participatory investigations of specific local contexts, and a combination thereof. Establishing a people-centred monitoring, reporting, and evaluation (MRE) process requires policymakers to improve their understanding of diversity and marginalised groups to determine how their rights can be protected by, for example, mainstreaming gender into the process. It involves local community participation to reflect their needs at every policy stage, not only consultation after implementation — in order to empower communities in shaping inclusive strategies. Supporting civil society in promoting access to information and communication technology for marginalised populations is one way to strengthen people-centred reporting. A suitable MRE process can be implemented, for example, through assessments that integrate vulnerable groups' perspectives and experiences.

Policymakers should use existing indices and databases, adjusting them to interpret how climate change affects population groups differently, and whether implemented or planned carbon neutrality actions cause social bias or have other adverse impacts. Thailand, for instance, mapped climate risks for children to develop child-sensitive climate

policies (TDRI 2022). Indicators that support LNOB provide information on targeted groups in disaggregated form or capture the difference between them and the rest of the population. For example, Bangladesh prioritises data collection on age, sex, and disability for MRE of its National Adaptation Plan (GOB 2022). As marginalised groups are often invisible in official data, policymakers must incorporate additional perspectives and triangulate information using alternative sources, such as academic publications, reports by civil society, and community-led data collection.

Note

Countries analysed included Cambodia, the People's Republic of China, Fiji, Indonesia, Nepal, the Marshall Islands, Thailand, and Tonga (<https://unfccc.int/process/the-paris-agreement/long-term-strategies>).

Acknowledgements

The authors thank Rachel Gisselquist (UNU-WIDER) and Flavia Guerra (UNU-EHS) for their valuable comments. This study was supported by the Ministry of the Environment, Japan.

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Leaving No One Behind in Carbon Neutrality Strategies: Insights from Developing Countries in Asia and the Pacific — No. 39, 2023

© United Nations University
ISSN: 2409-3017
DOI: <https://doi.org/10.53326/ZFH4987>

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Publisher

United Nations University Institute for the Advanced Study of Sustainability (UNU-IAS)
Tokyo, Japan



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