

A JUST TRANSITION IN COLOMBIA

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/^ 01 INTRODUCTION

ADOPTING A JUST TRANSITION APPROACH IN THE CLIMATE AND JUST ENERGY TRANSITION PARTNERSHIP CAN SUPPORT PEACE, DEVELOPMENT, AND CLIMATE GOALS IN COLOMBIA.

Maintaining peace and deepening democracy are non-negotiable political priorities in Colombia. Colombia's political landscape has been overshadowed by a protracted civil conflict since the 1960s, which resulted in at least 220,000 deaths, 25,000 disappearances, and the displacement of 5.7 million people (Felter and Renwick, 2017). The conflict was mainly waged between the government and far-right paramilitary groups, organised crime, and leftist guerilla organisations (specifically, FARC). Between 2012 and 2016, the government and FARC embarked on a formal peace process culminating in the successful adoption of the Peace Agreement in 2016 (CPA, 2016). This was a critical step, but implementation has been a challenge and a long path to enduring peace lies ahead.

Advancing development while reducing inequality is key to meeting political and social goals. Colombia has been designated as an upper-middle income country since 2008, but this status belies the harsh economic realities faced by many of its citizens (The World Bank, 2020). Colombia was the 9th most unequal country in the world in 2022, with almost 40% of the population living below the poverty line (The World Bank, 2020). Colombia's historical conflicts have been driven and shaped by these economic inequalities, with major cleavages along urban/rural, regional, sectoral, ethnic, and gender lines. Resolving these divides is crucial for continued peace and equitable human development.

Colombia's current economic model is not fit for this purpose and faces significant risks. The current economic development model in Colombia is heavily reliant on activities that contribute to climate change, specifically deforestation and fossil fuel industries. Risks associated with climate change and the global transition to net zero emissions are increasing, making this model economically unsustainable. The agriculture sector and rural economies will be hardest hit by climate impacts if efforts are not made to bolster their resilience now (World Bank Group, 2019). At the same time, the cost-competitiveness of renewable energy and global efforts to mitigate climate change will lead to a rapid contraction in fossil fuel markets and the products of deforestation. Furthermore, the negative

externalities of this model – including environmental degradation, biodiversity loss, pollution, and conflict – will continue to undermine other national goals. Effective transition planning towards a net zero and sustainable economy is thus a development imperative.

The government plans to switch to a more sustainable and climate resilient development model. Colombia has made ambitious climate commitments, including enshrining a net zero by 2050 target in law in 2021. In December 2023, the government disclosed that it had stopped signing coal, oil, and gas exploration contracts and joined an alliance calling for a fossil fuel non-proliferation treaty (Rodríguez, 2023). However, reorienting the economy will involve transitions in all major sectors of the economy and require external support.

This brief explores how a just transition could support peace, development, and climate goals in Colombia. It has been prepared for the Federal Ministry for Economic Cooperation and Development (BMZ) in the context of the Colombian-German Climate and Just Energy Transition partnership agreement to provide relevant context and guidance on the design and implementation of a fruitful partnership. It begins by providing background information on the partnership. From there, a just transition approach is outlined and applied to major sectors, with a focus on agriculture, forestry, and other land use (AFOLU) and energy. It concludes with a tabular summary which outlines just transition priorities, support needs, and potential socio-economic benefits to facilitate the development and implementation of a just transition approach through the partnership.

/ A 02 BACKGROUND TO THE CLIMATE AND JUST TRANSITION PARTNERSHIP

COLOMBIA AND GERMANY ARE WORKING TOWARDS A CLIMATE AND JUST ENERGY TRANSITION PARTNERSHIP TO SUPPORT COLOMBIA'S TRANSFORMATION TOWARDS A SUSTAINABLE, CLIMATE-RESILIENT ECONOMY.

An agreement towards a partnership on a climate and just energy transition was reached in June 2023. It identifies five areas for action: just energy transition, climate protection, protection and sustainable use of biodiversity and the environment, sustainable and resilient urban development, and climate and biodiversity funding. The agreement aims to support Colombia's transformation towards a sustainable, climate-resilient economy and development model.

The objectives under the partnership focus on ambition, implementation, and a just transition. Partners agree to pursue a more ambitious path to implement the Nationally Determined Contributions (NDCs) under the Paris Agreement, a just energy transition, and the Kunming-Montreal Global Framework for Biodiversity (GBF) in Colombia. Germany intends to pledge additional funds for Colombia's efforts in this regard. Possible approaches to support these objectives include but are not limited to: increasing climate and energy policy dialogue, strengthening and expanding support in identified action areas, promoting cooperation and knowledge exchange with the private sector, civil society, and science, and fostering participation and access for vulnerable people and population groups.

NewClimate Institute has identified five priority mitigation targets and policies to realise this ambition. NewClimate Institute prepared an internal briefing on the status of mitigation targets and policies in Colombia for BMZ in June 2023. These priority areas fall under AFOLU and energy sectors, which we focus on in this paper. The five entry points for increased climate ambition are to:

- Enforce the existing deforestation targets and policies,
- Commit to a coal phase-out,
- Accelerate the electrification of energy demand,
- Adopt measures to support the reduction of methane emissions,
- Prepare a roadmap to suspend the exploration of new oil and gas projects.

/ ^ 03 A JUST TRANSITION FOR PEOPLE AND THE PLANET

A JUST TRANSITION IS ABOUT DEVELOPING CLIMATE SOLUTIONS THAT PROTECT PEOPLE AND THE PLANET THROUGH THE TRANSITION TO A NET ZERO, CLIMATE-RESILIENT, AND SUSTAINABLE FUTURE.

The concept of a just transition has its roots in the labour movement. The concept of a just transition emerged from US labour unions and social activists in the 1980s (Newell and Mulvaney, 2013; Morena, 2018; Wang and Lo, 2021). Instead of responding to then new air pollution regulations as a zero-sum game, where it was “jobs vs the environment”, they argued that environmental and labour goals were interdependent and demanded solutions that would protect both (Vona, 2019).

The climate change movement has developed the concept of a just transition further. The concept gained mainstream in international and national climate policy discourse in the 2010s (Stevis and Felli, 2015). The acknowledgment of 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 the preamble to the [Paris Agreement](#) marked watershed (UNFCCC, 2015). It has since expanded beyond a primarily labour focus. For example, the [Solidarity and Just Transition Silesia Declaration](#) recognises “the challenges faced by sectors, cities and regions in transition”, noting the “importance of a participatory and representative process of social dialogue involving all social partners to promote high employment rates, adequate social protection, labour standards and wellbeing of workers and their communities” and the importance of working towards “sustainable development and community renewal” (Levai and Vallejo, 2018).

The just transition is now increasingly central to national and international climate action. It is being integrated through various frameworks, platforms, and policies around the world, including international commitments like NDCs (including Colombia’s) and LTSs, as well as climate finance support frameworks such as Just Energy Transition Partnerships (JETPs) (Editors of UNFCCC, 2020; Krawchenko and Gordon, 2021). A just transition is at the core of BMZ’s Climate and Development partnerships, which recognise that “a green and just transition is a task for the whole of society and that it can only succeed if all sectors and groups are appropriately involved” (BMZ, 2024).

Generally applicable principles for a just transition can guide a context specific approach. There are four common principles to consider when developing a just transition approach (**→ Box 1**) (Hallegatte et al., 2023). Applying these principles may require additional efforts and design features to ensure that climate actions do not create new or reproduce preexisting injustices and, where possible, contribute to redressing historical and current injustice (Williams and Doyon, 2019; Winkler, 2020; Krawchenko and Gordon, 2021; Wang and Lo, 2021). BMZ identifies compensation for social disadvantages that are caused or amplified by changing economic structures, as well as efforts to create new opportunities for development, as central aims.

Box 1

Four principles for a just transition

- **Distributive Justice:** a fair distribution of benefits, harms, costs, risks, and support.
- **Procedural Justice:** transparent, inclusive decision-making and equal access to the process and law.
- **Recognition Justice:** recognition, respect, value, and the right to self-determination of all.
- **Structural justice:** redressing of historical and existing patterns of structural injustice.

Source: Hallegatte et al., 2023

/ Λ 04 KEY SECTORS FOR A JUST TRANSITION IN COLOMBIA

Colombia has already begun to articulate key principles and issue areas for a just transition. The Climate and Just Energy Transition Partnership should support and build on these efforts, as well as provide related and ongoing assistance for Colombia's peace process (BMZ, no date). In this section we observe many overlaps between conflict and climate change drivers. Fortunately, there are also many synergies between peace and climate mitigation solutions. A just transition approach can help the government and its partners maximize synergies so that climate action supports sustainable development, reduced inequality, and redresses historical injustice.

Colombia already has ambitious climate targets but will require support to achieve them. When it comes to NDC and LTS commitments under the UNFCCC, Colombia is leader. It has short-term targets of a 51% reduction compared to business-as-usual and 44% reduction compared to 2018 by 2030, along with a long-term target of net zero by 2050. These goals are ambitious given the country's relatively low historical responsibility and more limited resources and capabilities (Government of Colombia, 2022b). Financial and technical support will be crucial to meeting the targets and could also help promote fair global effort-sharing.

In the following sections, just transition considerations and priorities for Colombia are outlined. They are structured according to the main sectors of AFOLU and energy, however several cross-cutting governance themes also emerge in the analysis and are spotlighted below. In the subsequent section, a summary table outlines the eight just transition priorities developed below.

Box 2**Key points for governance for a just transition**

- Climate governance capacity is essential for a just transition and climate policy implementation.
- Land ownership, local governance, and social inequality are key issues for governance.
- Climate policies in AFOLU and energy must navigate and support priorities related to land ownership in the political process.
- Local governance-led participative process can improve policy design and increase social support.
- Ensuring that social support reaches marginalised and vulnerable communities are crucial for a just transition.

4.1 AGRICULTURE, FORESTRY, AND OTHER LAND USE

AFOLU is a key sector for climate and social goals. Halting deforestation and transitioning to sustainable agriculture are priorities for domestic climate mitigation and can support rural development, resilience, and peace. The main considerations for a just transition in AFOLU sectors include landownership, food security, income, employment, the protection of environmental protectors, and the recognition of indigenous and marginalised groups.

Box 3**Key points for a just AFOLU transition**

- AFOLU accounts for 60% of territorial emissions; deforestation and livestock are major drivers.
- Land inequality, informality, marginalisation, and violence are key justice issues in AFOLU.
- Climate policies can contribute to efforts to redress extreme land inequality and historical injustice.
- Climate policy effects on employment, income, and inequality need to be monitored and mitigated.
- Special efforts are needed to protect and include Afro- and indigenous Colombians in the transition.
- High levels of violence against environmental defenders in Colombia must be stopped.

AFOLU EMISSIONS PROFILE AND MITIGATION PRIORITIES

Around 60% of Colombia's territorial emissions come from the AFOLU sectors (USAID, 2022). Commodity driven deforestation, conventional cattle ranching practices, and shifts in agricultural practices are major drivers (GFW, 2021). The role of coal and gold mining has increased in recent years, in part due to land speculation (González-González, Clerici and Quesada, 2021). Legal and illegal landgrabbing are key factors enabling of deforestation and contributing to inequality and the dispossession of indigenous communities (Hurtado-Hurtado, Ortiz-Miranda and Arnalte-Alegre, 2024).

Deforestation accounts for the biggest share of AFOLU emissions. Deforestation increased significantly between 2016 and 2021 but has declined since 2022 (Griffin, no date). With a total tree loss of 125,500 hectares in 2022, the new government is on track to meet its conservative limit of 140,000 hectares per year by 2026. However, more effort will be needed to meet its NDC target of limiting deforestation to 50,000 hectares per year and the complementary net zero deforestation goal by 2030 (Government of Colombia, 2022b). Halting deforestation will be essential to achieving the long-term net zero emissions target by 2050, which was enshrined in law in 2021 (Climate Action Tracker, 2022).

Livestock emissions are also significant. Livestock accounts for about 15% of GHG emissions in Colombia and 91% of agricultural land-use (World Bank Group, 2023). Colombia's NDC includes measures to reduce emissions from livestock production and increase carbon removals through sustainable agroforestry and agroecosystem farming, intensification, and efficiency.

AFOLU exports face additional transition risks and mitigation imperatives. The demand for deforestation-free products and value chains is being driven regulatory shifts outside of Colombia. For example, the EU, a major trade partner for agriculture, introduced deforestation regulations in 2023 to ensure that imported commodities are free from deforestation. These add to others, such as the UK Provisions on Forest Risk Commodities, EU Biofuel Regulations, and the US Forests Act (Grisales and Liehr, 2023). A sustainable AFOLU transition will be critical for maintaining these economic sectors and trade relations with key partners.

JUST TRANSITION CONSIDERATIONS FOR AFOLU

AFOLU mitigation efforts in post-conflict Colombia will need to engage with land justice issues. Land disputes and injustice have been central to the conflict in Colombia. Conflict over (concentrated and unequal) land ownership has been a major driver of violence, displacement, human rights violations, inequality, exclusion, and marginalisation in rural areas, disproportionately affecting small-scale farmers, agricultural workers, Afro Colombians, and indigenous people. These patterns are

a continuation of colonial processes. Today, Colombia has the highest territorial inequality in the OECD and one of the highest levels of land inequality globally (Faguet, Sánchez and Villaveces, 2020; OECD, 2022). Many AFOLU mitigation actions will need to address land ownership, tenure, access, and use issues, as will mitigation efforts in other sectors.

Impacts on food security, employment, and income should also be considered.

Around 30% of the Colombian population is food insecure, with similar rates both in rural and urban areas (WFP, 2023). Poverty, exclusion, displacement, and high levels of labour informality are contributing factors. Informality rates are especially high in rural areas (84% compared to a national average of 63%), with the highest rate of informality observed in agriculture (88%) (OECD, 2022). Informality can make it more challenging to provide social assistance for a just transition and may perpetuate inequality. Addressing poverty and inequality, especially in rural areas, is a priority for the government. Comprehensive rural reform and development is the first pillar of the 2016 peace agreement and it will be important to integrate it into a just transition approach (CPA, 2016).

AFOLU sectors are central to rural development efforts that could support a just transition.

A just transition is not just about managing potential negative impacts but also supporting workers and communities to transition to and benefit from a more prosperous, resilient net zero future. In Colombia, there are many opportunities to foster local green economies and jobs in AFOLU, including in sustainable agriculture, forest management and afforestation, environmental services, ecotourism, protection of natural resources and biodiversity, and related green value chains.

Ensuring democratic process and protection of defenders is essential for procedural justice.

Democratic political participation is the second pillar of the 2016 peace agreement. Historical patterns of violence and conflict in Colombia have undermined political rights and the safety of expression. In 2022, almost half of the human rights defenders killed worldwide were in Colombia (186 out of 401) (Iñigo, 2023). Those advocating for the protection of land, environmental, and indigenous rights were the most frequent victims. Climate processes should ensure equal participation and protection, especially for marginalised groups. Enhanced political participation can also function as a catalyst for increased policy support and more effective policy design. Democratic processes help to align policy needs and preferences with instruments, thus contributing to effective policy design and communication (Hallegatte et al., 2023).

Recognition of and restitution for marginalised and affected groups are critical in Colombia.

Patterns of land ownership, displacement, inequality, and political exclusion reflect Colombia's colonial history. Indigenous peoples and Afro Colombians – especially women – contend with persistent structural economic, social, and political discrimination (Immigration and Refugee Board of Canada,

2020). Impact assessments, processes and community engagement, and structural reforms related to AFOLU mitigation actions will need to proactively prevent the compounding or reproduction of these patterns and, where possible, contribute to redress.

4.2 ENERGY PRODUCTION AND END-USE

Moving away from fossil fuel production and use key to a just energy transition in Colombia. The Colombian economy is heavily reliant on fossil fuel production and exports, posing significant transition risks on both the supply and demand side. Key considerations for a just transition away from fossil fuels include fiscal transition planning, employment and job transitions, impacts on income, as well as environmental and community rehabilitation, and equitable and inclusive renewable energy development partnerships.

Box 4

Key points for a just energy transition

- Energy accounts for 30% of territorial emissions; fossil fuel production and transport are key drivers.
- Fiscal stability, jobs, and environmental restoration are key justice issues in the energy transition.
- Shifting fiscal support away from fossil fuels and towards green industries can reduce fiscal risks.
- Data gaps need to be filled to identify and support vulnerable industries, communities, and workers.
- Compensation, training, and social protection are essential measures to facilitate a just transition for jobs. Environmental rehabilitation needs to be sufficiently planned and resourced in mining areas.

ENERGY EMISSIONS PROFILE AND MITIGATION PRIORITIES

Around 30% of Colombia's territorial emissions are energy related. Supply side emissions related to export-oriented fossil fuel production are significant, though end-use emissions have increased due to growing domestic oil and gas consumption – especially in the transport sector (Government of Colombia, 2022a).

Coal, oil, and gas production accounts for around 27% of energy-related emissions. Fugitive emissions make up more than a third of these emissions (Government of Colombia, 2022a). Emissions from these industries are significant not only in terms of their share but also in global warming potential due to the high methane content. Coal and onshore oil are the biggest methane emitters (IEA, 2023b). While electricity generation mainly relies on hydropower, though the share of coal, oil, and gas has almost doubled since 2000. In December 2023, Colombia became the first major economy to endorse the fossil fuel non-proliferation treaty (The Guardian, 2023). This builds on other commitments, including the 2023 announcement of its intention to halt new hydrocarbon exploration (Delcas, 2023).

Transport dominates energy end-use, accounting for over 40% of energy-related emissions. Industry (14%) and buildings (9%) are the other major end-use emissions sources (Government of Colombia, 2022a). The energy demand in end-use sectors has risen alongside economic and population growth, with the transport sector having the highest emissions growth rate at 27% between 2011 and 2021 (IEA, 2023a). Meeting the growing transport demand sustainably will depend on enhancing improved efficiency and decarbonisation of the transport system.

Economic dependence on coal and oil exports poses significant transition risks. Colombia is the largest coal producer in Latin America and the fifth largest exporter globally (IEA, 2022; Global Energy Monitor, 2023). Around 90% of local production is exported. Coal is the second largest export earner after oil, which accounts for between 40 and 50% of the total export value (Rubiano, 2022). Domestic natural gas consumption, by contrast, exceeds production, so only a small amount is exported (EIA, 2022). In addition to export earnings, coal, oil, and gas have been an important source of government revenue through exploration licences, taxes, royalties, and dividends as well as employment. With the global energy transition gets underway, the demand for fossil fuels – especially coal – will contract. Plans for a coal phase-out in Colombia's biggest trade partner – the EU – are especially pressing. Effective planning is critical to manage transition risks and switch to a sustainable development pathway in time.

JUST TRANSITION CONSIDERATIONS FOR ENERGY PRODUCTION AND END-USE

Fiscal planning for the transition away from fossil fuels will be a priority. A reduction in fossil fuel revenues, export earnings, and employment poses a risk to national and sub-national fiscal space. If not appropriately managed and planned for, government spending could be negatively impacted with knock-on effects for social and economic development. Efforts to structurally shift the country away from economic dependence on these sectors as soon as possible should be a priority. A recent study suggests delay could cost the country USD 88 billion until 2050 (WTW, 2022). Removing fossil fuel subsidies, directing government support to clean energy and industry, diversifying the export basket, and integrating

transition risk assessments into policy and planning could help reduce fiscal risks to sustainable development. Unlike the coal sector, which has largely been privatised, the oil and gas industry is dominated by Ecopetrol, in which the government holds an 88.5% stake. While this exposes the government to transition risks more squarely, it also offers the government the opportunity to more directly steer the sector towards transition in a well-managed way (Benoit et al., 2022).

Managing impacts on and supporting coal workers is a cornerstone of a just transition. Transitioning from fossil fuels to alternative low-carbon energy and power sources will involve declines or shifts in these and related industries, requiring careful management of jobs transitions. The most urgent transition in this respect is coal, which is a major employer and has legacy impacts in mining regions in Colombia. There are two main models of coal mining in Colombia, corresponding to different regions: mines in the northern regions of Cesar and La Guajira account for 90% of production and are large-scale, export-oriented, and mostly run by transnational mining houses such as Glencore; small- and medium-scale mines in the interior are responsible for 10% of production, oriented to the local market, and mostly operated by domestic companies (Vega-Araújo et al., 2023). There are up to 130,000 direct and indirect jobs in coal mining, though no official statistics are available to provide a more refined and accurate picture of coal jobs - in part due to high levels of informality and illegal mining (Strambo and Atteridge, 2018). Closing this information gap is an urgent prerequisite to appropriately planning a just transition for coal workers, which can help target transition support, such as compensation, training, and social protection, and tailor local development plans for low-carbon, sustainable, diversified, and resilient economies to the Colombian context. Understanding the indirect employment impact will also be important. For example, in 2020 Glencore closed two mines in the northern town of La Jagua de Ibirico in Cesar due to contracting coal prices. In addition to 7,000 coal miners losing their jobs, induced jobs, incomes, and revenue were shed as a domino effect led to the closure of other businesses, including restaurants and hotels, leading municipal revenue to shrink by 85% (Rubiano, 2022).

But it's not just about jobs, communities need support dealing with the legacy impacts of mining. Coal mining houses have long been accused of environmental and human rights abuses, by local and indigenous groups, including pollution and forced resettlement (OECD Watch, 2021). In the northern states Cesar and La Guajira, profits from the booming coal industry have failed to trickle down while agriculture, ecosystem-based livelihoods, and other industries have been choked out (Balch, 2013). These coal regions have some of the highest poverty levels in Colombia, as much as double the national average (Balch, 2013). While many focus on supporting coal workers through the transition, it will also be essential redress decades of mining impacts and rehabilitate local communities and the environment. Preventing further infringements on human rights and pollution is an immediate priority, especially concerning long-term pollution risks or damage to

the sustainability of water systems (Censat Agua Viva, 2023). For example, according to a United Nations report, the El Cerrejon mine in La Guajira, which is one of the 50 most polluted places in the world, has led indigenous Wayuu people to have elevated levels of toxic substances in their blood and a heightened risk of chronic obstructive pulmonary disease. The mine has also been linked to increasingly severe waves of drought, as scarce water resources are directed toward mining operations (Boersma, 2018). Ensuring that mine closure and rehabilitation plans are sufficiently stringent, resourced, and enforceable well ahead of time is another priority – and one where international expertise, experience, and support could be helpful (Manero et al., 2020). Training coal workers for mine rehabilitation jobs can support coal worker transitions. Local actors may also want to pursue compensation for affected communities further, addressing issues of structural justice (OECD Watch, 2021). The health and resilience of local communities through a net zero transition will depend on a healthy environment.

Scaling renewable energy development needs to follow a more just and inclusive path. Colombia has world-class wind power resources, especially in the northern regions, as well as abundant solar radiation across the country (Ángel-Sanint, García-Orrego and Ortega, 2023). Taking renewable energy assessments one step further, a recent study explores wind and solar potential through a multicriteria framework that includes physical, biotic, economic, cultural, political characteristics (Ángel-Sanint, García-Orrego and Ortega, 2023). Even when considering these criteria, it finds that Colombia could significantly scale up solar and renewable resources with at least 8 GW of utility-scale solar and 35 GW of wind. While such analysis can help identify areas with favourable resource development conditions, the government and developers will still need to proactively engage with local communities to ensure social support and local benefits that are aligned with sustainable development goals. Policies supporting such efforts include backing for local and indigenous community partnerships in renewable energy and green hydrogen projects, with stringent requirements if projects are situated on indigenous land. For example, most of the +40 wind projects under development (with a combined installed capacity of 8 GW i.e. more than 40% of Colombia's current capacity) will be located on Wayuu land which cannot be leased or bought. Project developers will need to build partnerships with local Wayuu communities and agree on benefits, compensation, and other conditions (Stockholm Environment Institute, 2023). This has not been easy so far, in part due to low levels of trust in the government and failures to engage early enough in the process (Bocanegra, 2023). Early engagement and partnership with communities can help build trust and ensure that the transition benefits and is supported by all.

Impacts in other industries also need consideration. The transition will involve changes in many areas of the Colombian economy, affecting workers, communities, and the environment. Some industries may grow. For example, interest in mining

largely untapped copper deposits has intensified recently due to increased global demand (IEA, 2023c). Other areas could contract or require significant changes in processes, feedstocks, products, and skills. For example, direct and indirect employment in Colombia's automotive industry rivals that of coal mining and has scope for continued growth in line with local and regional demand trends (PROCOLOMBIA, 2021). However, there are significant differences along the value chain between internal combustion engine (ICE) vehicles and electric vehicles (EV) – from assembly and parts to maintenance and recycling. Demand for EV's has consistently beat expectations. Colombia had the highest penetration of EV's across developing countries after China in 2020, with market share exceeding 5%, and demand has remained robust (Jeronimo Callejas, Joshua Linn and Jevgenijs Steinbuks, 2022). To meet the current target of 600,000 EVs (approximately 50% market share) in new vehicle sales in 2030, however, the automotive industry will need to shift fast. Transition planning will need to consider the potential implications for employment, skills, and investment, among other factors, to ensure a smooth and just transition in this industry. Identifying industries that face transition risks and opportunities in the short- to medium-term will be important for a just transition of the whole economy and ensuring that no one gets left behind.

There are also just transition considerations on the energy demand side – especially transport. Policies aimed at changing people's consumption and behaviour can have uneven distributional impacts and become highly politicised, especially when they affect living costs. The case of fossil fuel subsidies and their reform provides an example. Colombia spends USD 11 billion annually on petroleum subsidies that disproportionately benefit those who consume more (the rich), yet their reform would disproportionately affect those who spend more of their income on transport (the poor) (Rueda, 2023). Recent efforts to remove these subsidies have so far progressed but also triggered protests against the government (Rueda, 2023). Distributional effects are not always negative, but benefits can be if unequally distributed. For example, subsidies or tax breaks aiming to increase the uptake of rooftop solar or new EVs will disproportionately benefit those who can afford them (the rich) and increase the marginalisation of those who cannot (the poor) as the cost of power or running older ICE cars increases. To gain and maintain social support for such policies requires careful efforts to understand, moderate, communicate distributional effects in a socially acceptable way. Participative and inclusive processes can help design and communicate policies in a way that addresses the concerns of different groups and ensures more equitable outcomes (Hallegatte et al., 2023).

/^ 05 BILATERAL CLIMATE AND DEVELOPMENT PARTNERSHIP FOR A JUST TRANSITION

The government’s climate ambition is not the main challenge in Colombia; maintaining and implementing it is. A just transition approach can help by ensuring that priority climate actions maximize development and social justice outcomes. Luckily, there are extensive synergies between climate and social development imperatives. The bilateral Climate and Development Partnership can be leveraged to proactively and strategically develop these synergies to ensure Colombia can reach or exceed its climate ambitions. We consider opportunities across three areas: governance, AFOLU, and energy.

GOVERNANCE

Strengthen governance capacity for implementation

Transition priorities	Just transition support	Socio-economic benefits
1. Clarify and resolve landownership issues	Integrate land-justice issues into climate policies, projects, and planning	Contribute to peace efforts related to land-justice, reduce inequality, & improve land-productivity
2. Develop and invest in local governance	Support local governance capacity for public engagement, policy design, & implementation, especially in areas facing high transition risks	Contribute to peace efforts related to rural development, build trust and social resilience, strengthen democratic practices & improve policy implementation
3. Social protection for vulnerable/affected groups	Increase coverage of social support (especially for informal workers) & improve access to legal protection for affected and marginalised groups	Contribute to peace efforts related to political participation and restitution, reduce poverty, & ameliorate marginalisation

AFOLU

Support transition to sustainable agriculture and zero deforestation

Transition priorities	Just transition support	Socio-economic benefits
4. Targeted incentives for environmental protection	Partner with local, vulnerable, and indigenous communities to support environmental protection and sustainable economic development	Contribute to peace efforts related to rural development, protect biodiversity, & uphold constitutional indigenous land rights
5. Sustainable agriculture plan for deforestation-free regulations	Prepare agriculture sector for deforestation-free regulations & facilitate transition to sustainable, resilient, and conflict-free crops	Diversify trade basket and increase economic resilience to global transition, support job creation, & reduce conflict drivers

ENERGY

Plan transition from fossil fuels to clean energy production and end-use

Transition priorities	Just transition support	Socio-economic benefits
6. Strategy for fiscal transition from fossil fuel dependence	Undertake assessment of fossil fuel spending and revenue at national and subnational levels & develop fiscal transition strategy	Diversify trade basket and increase fiscal and macroeconomic resilience & align government spending in line with social and environmental goals
7. Investment green industry	Ensure environmental and social regulations for green industries sustainable are inclusive	Support green job creation, reduce informality, & participate in global green value chains
8. Coal mine closure and transition planning	Improve coal jobs and regional economic data to identify risks and inform planning & plan for coal mine rehabilitation enforcement	Improve human health and development outcomes, functioning ecosystem services, & green job creation

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