

#### Call for Evidence Q&A

#### What is a just transition?

Globally the world is decarbonising from a from a fossil fuelled economy. Delivering a just transition will mean, as we move to a cleaner, stronger, fairer Wales, we leave no-one behind. We will develop a clear understanding of the impacts of change, positive and negative, and how to make sure these are fairly distributed in society. In doing so, we have committed to learning lessons from the past and building a future for Wales that supports a wellbeing economy.

In <u>Net Zero Wales</u> (2021), the Welsh Government re-stated our commitment to 'Just Transition' away from the fossil-fuelled economy of the past to a new low carbon future.

The WCPP has also provided insight in their paper on international approaches to a just transition: <a href="https://www.wcpp.org.uk/publication/international-approaches-to-a-just-transition">www.wcpp.org.uk/publication/international-approaches-to-a-just-transition</a>

## What is the purpose of the Call for Evidence?

To improve our understanding around the impacts and opportunities of the transition, so we can try and ensure it is undertaken in a fair way. The Call for Evidence will inform the development of Wales's decarbonisation pathway to net zero by 2050. It also provides an initial step towards developing a proposed Just Transition Framework for Wales to be published in 2023.

### What are we looking for from the Call for Evidence?

**Evidence and research.** We believe that it is important to first understand best practices, impacts and benefits, and support need for the implementation of a just transition. This is why, at this stage, we need your evidence and research to help inform our approach to a just transition. This includes improving our understanding of the impacts and opportunities on Wales. How we apply and integrate it throughout our decisions making processes and what we need to support it.

#### Therefore, the purpose of the Call for Evidence is to seek evidence to:

- identify best practice for the implementation of a just transition in Wales
- the impacts and opportunities across our emission sector pathways
- the infrastructure and support we need to ensure a just transition.

#### What is the Just Transition Framework?

Our current intention is to publish a Just Transition Framework to provide a strategic approach to achieving a just transition which is fair, inclusive, and built on a vision that is driven by improved 'wellbeing' for society, and working towards achieving the sustainable development goals, with the guiding principle of 'leave no-one behind'. The Framework will consist of three main components:

- build our evidence base and research (understanding the impacts and any areas for opportunities to improve equalities
- maximise integration across our decision making processes, sectors and plans and
- **embed engagement** across public, businesses and communities.

We aim to develop and publish the Framework in 2023.

### What is the role of the Well-being of Future Generations Act?

Welsh Government views a just transition through the lens of the Well-being of Future Generations (WFG) Act 2015. The WFG Act is a key piece of legislation that incorporates notions of socio-economic, spatial and environmental justice in decision-making together with intergenerational justice.

The existing legislative framework provided by the WFG Act already looks to avoid undesirable impacts, maximise the opportunities of transition, and provides a legislative basis for embedding principles of equity and fairness into decarbonisation efforts.

## How are we using the Well-being of Future Generations Act in Wales?

The WFGA sets out our "7 well-being goals" which we are all working towards and the principles for how we should achieve them through the "ways of working". We look to the long term; involve people in the decisions that affect them; collaborate with partners to deliver; integrate our thinking to drive multiple benefits; and seek out opportunities to address the underlying causes of change.

This means our approach to a just transition is underpinned by legislation that encourages policy makers to take a macro view — considering key areas and impacts such as on labour markets and business competitiveness

(jobs, skills, workforce, etc) as well as people (social justice, gender, ethnicity, income group, age, etc).

# How will the transition to net zero affect the people of Wales?

People, businesses and communities are already vulnerable to change. The transition to net zero may be unevenly distributed, with different impacts and opportunities for populations, groups of society, and sectors throughout Wales; many of which may already be dealing with other socioeconomic challenges.

The transition to net zero will also have different impacts and opportunities for emission sectors.

Drawing on the evidence base from the Call, we will use the Just Transition Framework to help set the policy direction where we will look to maximise the opportunities and reduce the impacts.

#### Why do we need a just transition?

Previous economic transitions have had damaging impacts upon the people of Wales, however, the transition to a cleaner, greener, and fairer Wales does not have to be as damaging.¹ As the speed and scale of climate action increases, it is vital that we address the risks posed by an unplanned transition towards net zero. We need to ensure a fair transition that advances Wales' wellbeing and contributes to global prosperity and long-term sustainability, without exacerbating existing inequalities.

There are significant opportunities that may be grasped from this process, however, there are also challenges and vulnerabilities. Therefore, we need to recognise that to ensure a just transition we need to recognise that the impacts and opportunities will happen on different groups of society, at different times and different places across Wales. This is why we are developing the Just Transition

<sup>&</sup>lt;sup>1</sup> Net zero jobs – The Inquiry (resolutionfoundation.org)

Framework to achieve a vision which is fair, inclusive, driven by improved 'wellbeing' for society, and the guiding principle of 'leave no-one behind'.

# When will impacts of the transition take place and the opportunities realised?

We are already seeing some changes and impacts now, such as the uptake in electric vehicles and renewable energy installations. The transition will happen at different times. Some parts of our economy could change at a faster rate as new opportunities emerge, and/or in different locations. This could present lost market opportunities or challenges for businesses and workers to successfully transition, in a timely manner acquiring the new green skills.

# How are other countries approaching the transition?

There is no universally accepted international definition of a just transition and a great deal of debate exists around the term. Similarly, there is no 'one size fits all' approach to a just transition, as it needs to be shaped according to specific contexts.

However, the international examples highlight common features. These include the creation of a coordinating framework, long-term planning, capacity building and funding to support implementation.

Scotland has taken the view than in tackling emissions there is also an opportunity to seek out lasting positive societal change. Throughout the transition they recognise that their actions to ensure fairness will be integral to securing and maintaining support for the scale and pace of change required.

For New Zealand, a key focus of a just transition is to ensure that regions are activated and supported to plan and manage the social, economic, and environmental impacts of a transition. A successful transition is where regions can identify and then act upon new opportunities and manage the impacts in a way that is fair and just. They also seek to make the transition more fair, equitable and inclusive.

The Wales Centre for Public Policy has provided a number of international approaches to a just transition in the attached: <a href="www.wcpp.org.uk/publication/international-approaches-to-a-just-transition">www.wcpp.org.uk/publication/international-approaches-to-a-just-transition</a>

#### Who will be affected by a transition to net zero?

Everyone could potentially be affected by the transition and this is why we undertaking a call to improve our understanding. There are likely to be different impacts and opportunities across populations and groups of society in Wales including income groups, communities, workers, and businesses.

# How does the cost of living crisis affect the just transition?

In the context of the cost of living, it's even more important we find ways of tackling the cost of living crisis, protecting Welsh households, workers and business in ways which do not exacerbate the climate crisis; whilst additionally, presenting the individual and collective benefits of these changes including to health and wellbeing, local environment, and cost savings. The ways in which we can address the climate and nature emergency and the cost of living crisis, can help deliver a just transition for the people of Wales.

# How are a just transition and behaviour changed linked

Urgent action is needed across all areas of society to reduce our emissions of greenhouse gases and build our resilience to the impacts of climate change. This has been outlined by the Climate Change Committee, which states that almost 60% of the changes needed to achieve net zero will require some element of societal behaviour change.<sup>2</sup>

Behaviour change must be done in a way that that is fair. We will tailor our work to those who have higher carbon footprints and are able to make changes to their lifestyles in the first instance. In doing so we will aim to unlock benefits to improve wellbeing to create a more equal and low carbon society for all.

#### What are Green Jobs?

What is considered a green job today, may be a mainstream job in the future. The Office for National Statistic and the UK Green Jobs Taskforce have highlighted there is no universal definition of a green job. The Office for National Statistics produces two different estimates of green jobs. The term green job has no one particular meaning, so this is a complex area. Often, more than one definition is cited, and different definitions can suit different uses. For the purpose of this Call for Evidence, green jobs are defined as a renewable energy and energy efficiency industries, however, this may change as Welsh Government develops its understanding.

ONS, as part of the <u>Green Jobs project</u>, are currently developing 'a clear definition or definitions of green jobs'. Once this work is completed, Welsh Government review the output of this work.



<sup>&</sup>lt;sup>2</sup> Net Zero – The UK's contribution to stopping global warming – Climate Change Committee (theccc.org.uk)