



Just Transition and Human Rights

In response to the call for input by the
Office of the United Nations High
Commissioner for Human Rights

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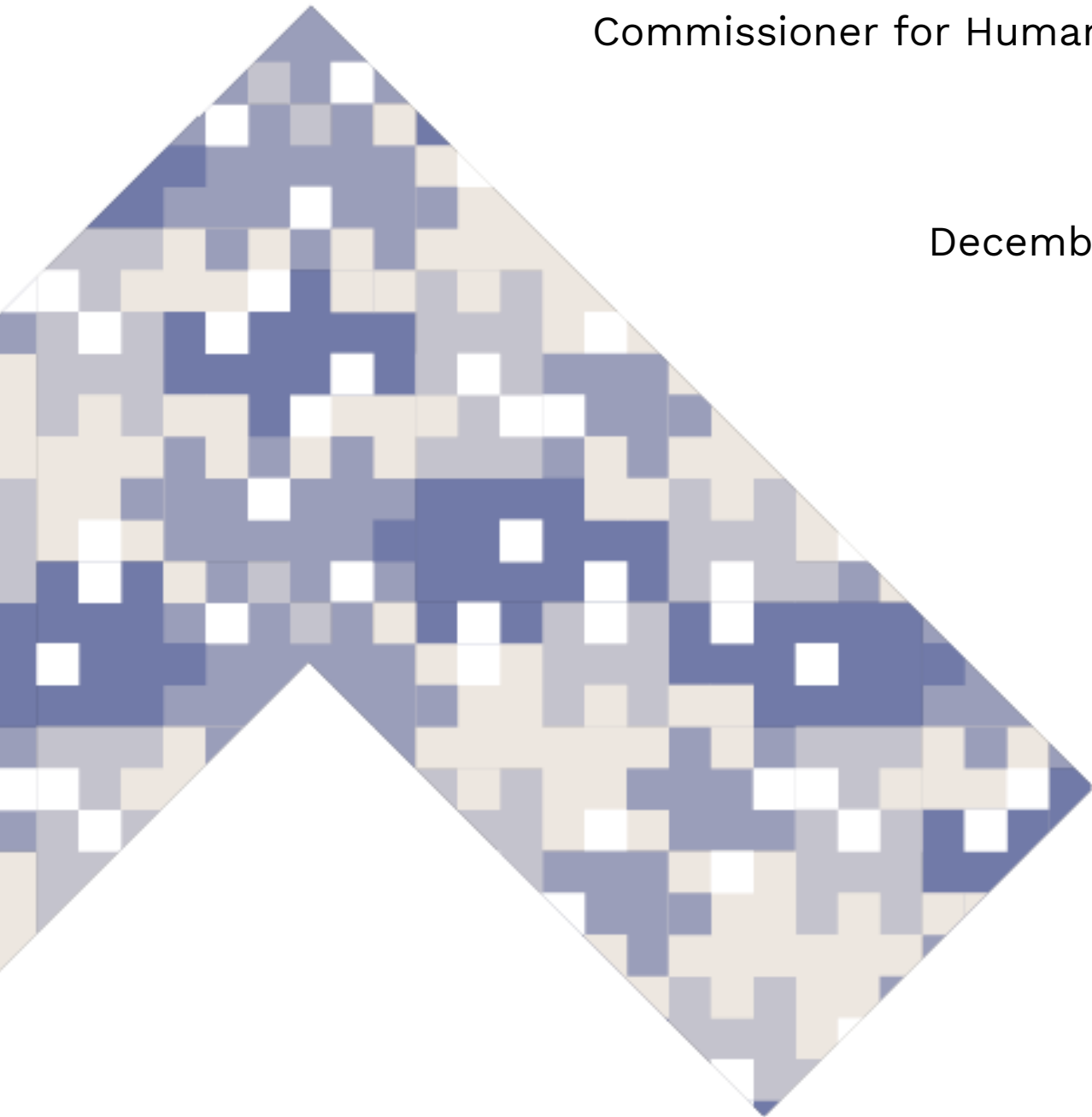




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Introduction

The concept of a just transition lies at the heart of the global effort to address climate change and inequality while upholding fundamental human rights. It seeks to reconcile the urgent need for policies to slow global warming with the principles of social justice, ensuring that no one is left behind as economies transform toward a low-carbon future.¹ A just transition requires systemic reforms to address long-standing inequities, including the redistribution of resources, the repricing of harmful activities, and the strengthening of democratic representation in fiscal governance.² These reforms should also be properly designed to respond to the adverse climate and tax-related effects of the climate crisis.

Tax systems are central to this. Fair and transparent tax policies empower governments to mobilise the resources needed to fund essential services, reduce inequality, and protect vulnerable populations. Grounded in the "5Rs" of tax justice—Revenue, Redistribution, Repricing, Representation, and Reparations—tax reform offers a powerful lever to realise human rights, particularly for those disproportionately affected by environmental and economic transitions.³

This document examines the challenges, opportunities, and actionable solutions for achieving a just transition. Drawing on insights into tax transparency and international tax justice, it offers recommendations for addressing systemic barriers, amplifying the voices of marginalised communities, and building inclusive, sustainable economies.

¹ Sylvain Aubry and others, 'Human Rights in the New Eco-Social Contract: Exploring a Just Transition through Public Services and Social Security', 2023 <<https://cdn.unrisd.org/assets/library/papers/pdf-files/2023/dcp-aubry-et-al-draft-paper-ready-for-web.pdf>> [accessed 18 April 2024].

² Franziska Mager and Sergio Chaparro, *Delivering Climate Justice Using the Principles of Tax Justice: A Guide for Climate Justice Advocates* (June 2023) <<https://taxjustice.net/wp-content/uploads/2023/06/Delivering-climate-justice-using-the-principles-of-tax-justice-Tax-Justice-Network-June-2023.pdf>> [accessed 22 June 2023].

³ 'Beyond20: A New Strategic Framework for the Tax Justice Network', *Tax Justice Network*, 2023 <<https://taxjustice.net/2023/05/12/beyond20-a-new-strategic-framework-for-the-tax-justice-network/>> [accessed 31 October 2023].

The 5 Rs of tax and the future of public services

Our tax systems are our most powerful tools for creating just societies that gives equal weight to the needs of everyone. Here's what our tax systems can deliver if we reprogramme them to work for everybody, instead of just the wealthy few:

Revenue

to fund universal public services and sustainable infrastructure



Every second, a nurse's yearly salary is lost to a tax haven. Over \$483 billion in tax is underpaid each year by corporate giants and the superrich that could be going to our public services.

Women provide 71% of unpaid dementia care hours globally. Tax can fund public caregiving systems, redistributing and reducing care burdens.



Redistribution

to curb inequality between individuals and between groups

Repricing

to limit public "bads" like carbon-intensive products and promote "goods", like sustainable local production



A lower VAT rate on public transport fares and a higher tax rate on vehicle ownership can increase use of public transportation. Higher taxes on ownership of private jets and other highly polluting transportation can discourage their use by the superrich.

Reliance of government spending on tax revenues is strongly linked to higher quality of governance and political representation.



Representation

to strengthen democratic processes and improve democratic governance

Reparation

to redress the historical legacies of colonisation and ecological damage



Reprogramming the global tax system to protect people's needs and rights can help countries fund a transition to food systems that serve people and planet.

Figure 1: The 5Rs of tax justice

Question 1

“Please share concrete examples and stories describing opportunities, best practices, actionable solutions, challenges, and barriers relevant to just transition and the full realisation of human rights for all people, including but not limited to the rights to health, a clean, healthy and sustainable environment, equality and non-discrimination, decent work, and access to justice and remedies.”

Achieving a just transition requires addressing systemic barriers that prevent equitable access to resources and rights. A major challenge is the loss of public revenue caused by multinational corporations’ tax avoidance and the use of tax havens by corporations and wealthy elites, which deprive governments of funds needed to finance health care, clean water, education, and climate adaptation and mitigation. Tax abuse is estimated to cost countries over U\$492 billion annually, a figure that could significantly advance human rights and sustainable development if collected by governments.⁴

One actionable solution is combating illicit financial flows (IFFs) by strengthening transparency mechanisms such as public beneficial ownership registries. These registries help identify the individuals behind corporate entities, reducing the potential for tax evasion.⁵ Another is public country-by-country reporting, which obliges corporations to disclose financial activities and tax payments in every country where they operate, enhancing accountability. Australia, for example, has adopted legislation requiring such measures to be adopted in order to provide valuable insights into corporate tax practices.⁶

Progressive taxation offers another pathway. By taxing wealth and carbon emissions, governments can mobilise resources to fund social safety nets and climate adaptation and mitigation measures. Implementing wealth taxes or repurposing revenues from natural resource extraction into public investment funds ensures that economic gains benefit entire populations. In Brazil, for example, 75% of royalties from petroleum extraction and 50% of income from the Pre-salt Extraction Social Fund have been used to enlarge funds destined towards public education and health.⁷

The "ABCs to G3" framework offers a roadmap for reforming tax systems to ensure fairness. These reforms can provide governments with the resources to fund a just transition.⁸

⁴ Tax Justice Network, *State of Tax Justice 2024*, November 2024 <<https://taxjustice.net/reports/the-state-of-tax-justice-2024/>>.

⁵ Andres Knobel, ‘Why Beneficial Ownership Frameworks Aren’t Working-and What to Do About It’, *Available at SSRN 4783012*, 2023.

⁶ ‘The Tax Justice Policy Tracker’ <<https://policytracker.taxjustice.net/policy/country-by-country-reporting>> [accessed 28 December 2023].

⁷ Brazilian Federal Government, ‘Law Number N° 12.858’ <https://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/lei/l12858.htm>.

⁸ ‘Beyond20’.

THE ABCs OF TAX JUSTICE




Figure 2: The ABCs of tax justice

Question 2

“Please share information on any relevant legislation, policies, strategies, action plans, and practices by your government to promote the enjoyment of human rights in the context of just transition, including with reference to nationally determined contributions and national adaptation plans. Please describe how human rights, in particular the right to work and the right to social security, have been integrated in just transition processes in your country (e.g. with regard to different economic sectors, business human rights responsibility to respect human rights, and social protection systems).”

A just transition requires embedding human rights principles, including the right to work and a social security safety net, into energy transition policies. This encompasses both systemic reforms and targeted measures. It is critical that the financing of climate and environmental



policies aimed at accelerating the net-zero transition and socio-economic equality are not addressed as separate issues, or worse, played off against one another. Some governments and international frameworks have begun addressing this challenge through various strategies, though major gaps remain in funding, implementation and scale-up.

South Africa's Just Energy Transition Partnership is an example of how to combine energy transition with domestic equity policy goals. The programme dedicates resources to retraining workers and creating new economic opportunities in renewable energy sectors, ensuring communities reliant on fossil fuels are not left behind. Similarly, Scotland's Just Transition Commission explicitly integrates fairness into labour market transitions, emphasising the importance of social dialogue, retraining initiatives, and bolstered social protection systems for affected workers.

At the legislative level, the EU's Corporate Sustainability Reporting Directive (CSRD) requires companies to disclose environmental and social impacts, ensuring greater corporate accountability when it comes to measuring corporate greenhouse gas emissions and related environmental metrics. However, such measures must be radically unified, expanded and bolstered by systemic tax reform to mobilise resources for just transition policies. Addressing financial secrecy and tax abuse, such as through public country-by-country reporting for multinational corporations, is essential for preventing revenue losses that hinder governments' ability to fund social safety nets and adaptation strategies.

These examples highlight the intersection of fiscal policy and climate justice. Fragmented and piecemeal approaches, even if progressive on paper – for example sectoral levies such as on frequent flying – fail to mobilise the necessary resources for a truly rights-based transition. They also fail to shake up a system of global tax governance that through the dominance of the OECD, prioritises rich countries' interests over those of most people in developing countries. A systemic shift in global tax rules, democratically designed, is vital to ensure nations can generate reparative climate finance while reducing reliance on debt, which disproportionately burdens the Global South. 3.3 billion people currently live in countries that spend more on debt servicing than on education or health⁹.

While initiatives like South Africa's and Scotland's provide templates, they also highlight the need for better international cooperation. Aligning efforts under frameworks such as Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) with inclusive, equitable fiscal policies—rooted in representation, redistribution, and reparations—can help integrate human rights into the just transition. To succeed, these policies must address historical inequalities, hold polluters

⁹ 'A World of Debt 2024 | UN Trade and Development (UNCTAD)', 2024 <<https://unctad.org/publication/world-of-debt>> [accessed 19 December 2024].

accountable, and prioritise the well-being of vulnerable populations. The best place for this type of wide-reaching reform is under the auspice of the UN Framework Convention on International Tax Cooperation (UNFCITC).

Question 3

“Please describe how just transition measures affect and can ensure the rights and/or inclusion of relevant groups, actors, communities and Peoples, including Indigenous Peoples, women and girls, children, youth, older persons, persons with disabilities, workers including informal workers, migrants, future generations, environmental human rights defenders, and persons living in situations of vulnerability and poverty, considering also intersectionality.”

Following international commitments, such as the Universal Declaration of Human Rights¹⁰ and the United Nations’ Charter, “all are equal before the law and are entitled without any discrimination to equal protection of the law” (UNRH, article 7). Therefore, a just transition must prioritise marginalised groups, including Indigenous Peoples, women, children, informal workers, migrants, and others who face disproportionate risks. For instance, Indigenous communities often endure land dispossession and environmental harm caused by extractive industries. By implementing fair tax policies for extractive sectors, governments can reinvest revenues into programmes that uphold Indigenous rights and create sustainable livelihoods.¹¹

Informal workers and migrants frequently lack access to decent work, social protection, and basic services. Expanding publicly funded health care, housing, and education systems can bridge these gaps. Funding for such programmes can come from addressing tax abuses and implementing progressive tax policies that allocate resources equitably. Participatory budgeting processes, which involve communities in decision-making, ensure that public spending reflects the needs of marginalised populations.¹²

Women and girls, as primary caregivers and key contributors to community resilience, are particularly affected by climate change and economic shifts. Policy responses should aim to reduce gender inequality by investing in childcare services, education, and economic opportunities

¹⁰ United Nations, ‘Universal Declaration of Human Rights’, *United Nations* <<https://www.un.org/en/about-us/universal-declaration-of-human-rights>> [accessed 19 December 2024].

¹¹ Special Rapporteur on the promotion and protection of human rights in the context of climate change, *Report of the Special Rapporteur on the Promotion and Protection of Human Rights in the Context of Climate Change: Promotion and Protection of Human Rights in the Context of Climate Change Mitigation, Loss and Damage and Participation*.

¹² ‘A/HRC/54/27: Reinvigorating the Right to Development: A Vision for the Future’, *OHCHR* <<https://www.ohchr.org/en/documents/thematic-reports/ahrc5427-reinvigorating-right-development-vision-future>> [accessed 11 December 2024].

for women. Such measures require sustained public funding supported by equitable tax systems.¹³

The protection of environmental human rights defenders is also crucial for a just transition. These individuals often face intimidation and violence for advocating against destructive practices, and a variety of environmental crimes^{14 15} are concealed a cloak of financial secrecy. Strengthened international legal frameworks and financial support for civil society organisations can provide essential protections and amplify their voices.¹⁶

Question 4

“Please describe any relevant mechanisms for ensuring justice, equity, and accountability in the context of just transition, as well as means of implementation and financing.”

Justice, equity, and accountability are fundamental to ensuring that the benefits of a just transition are shared widely and fairly. Three primary mechanisms include tax justice, fiscal transparency, and inclusive governance.

Tax justice is essential for financing the transition fairly¹⁷. Measures such as implementing a global minimum corporate tax rate, closing tax loopholes, and addressing illicit financial flows can help governments recover lost revenues. For example, automatic exchange of financial information between countries enables tax authorities to detect hidden wealth and enforce compliance.¹⁸

Fiscal transparency is another critical tool. Requiring public country-by-country reporting ensures that multinational corporations disclose their financial activities and tax payments, holding them accountable. In

¹³ Tax Justice Network, ‘Impact of Countries’ Tax Policy on Women’s Rights - UN CEDAW’, *Tax Justice Network*, 2021 <<https://www.taxjustice.net/collections/impact-of-countries-tax-policy-on-womens-rights-submissions-to-un-committee-on-the-elimination-of-discrimination-against-women/>> [accessed 22 April 2021]; Tax Justice Network and others, ‘Brazil - Submission to the Committee on the Elimination of All Forms of Discrimination against Women (May 2024)’, *Tax Justice Network* <<https://taxjustice.net/reports/submission-to-the-committee-on-the-elimination-of-all-forms-of-discrimination-against-women/>> [accessed 19 November 2024].

¹⁴ ‘The Hidden Environmental Consequences of Tax Havens’, 2018 <<https://www.stockholmresilience.org/research/research-news/2018-08-13-the-hidden-environmental-consequences-of-tax-havens.html>> [accessed 19 December 2024].

¹⁵ UCL, ‘Financial Interactions with Ecosystem Tipping Points’, *UCL Institute for Innovation and Public Purpose*, 2024 <<https://www.ucl.ac.uk/bartlett/public-purpose/publications/2024/oct/financial-interactions-ecosystem-tipping-points>> [accessed 19 December 2024].

¹⁶ OHCHR and ILO, *Key Messages on a Just Transition and Human Rights* <<https://www.ohchr.org/sites/default/files/documents/issues/climatechange/information-materials/key-messages-hr-a-just-trans.pdf>>.

¹⁷ Alex Cobham and Franziska Mager, *Seven Principles of Good Taxation for Climate Finance* <<https://taxjustice.net/wp-content/uploads/2024/12/Principles-of-good-taxation-for-climate-finance-December-2024-Tax-Justice-Network.pdf>> [accessed 28 December 2024].

¹⁸ Andres Knobel, ‘Statistics on Automatic Exchange of Banking Information and the Right to Hold Authorities (and Banks) to Account’, *Tax Justice Network*, 2019 <<https://www.taxjustice.net/2019/06/21/statistics-on-automatic-exchange-of-banking-information-and-the-right-to-hold-authorities-and-banks-to-account/>> [accessed 7 May 2022].

Australia, such transparency initiatives have already improved corporate tax compliance and strengthened public trust.¹⁹

Inclusive governance mechanisms, such as citizens' assemblies, participatory budgeting, and fiscal transparency, ensure that marginalised voices are central to decision-making. These approaches enable communities to influence how public funds are allocated, fostering equity and accountability.²⁰

International legal frameworks also play a pivotal role. The conceptual underpinning of a just transition is present in covenants such as in the Economic and Social Council's comment on State obligations under the International Covenant on Economic, Social and Cultural Rights in the context of business activities, which warns that harmful activities in one country—such as excessive emissions or extractive practices—can inflict harm and limit the realization of rights in other states, particularly vulnerable and lower-income nations²¹. These externalized harms demand inclusive accountability mechanisms rooted in the principles of Common but Differentiated Responsibilities (CBDR).

Current negotiations for an international tax convention at the United Nations has the potential to create a transparent and equitable forum for global tax governance. This platform can serve as means to address decades of failure in international tax governance²² and to establish a just global tax system. A comprehensive framework of standards covering all aspects of tax and financial transparency policy and governance operating under the auspices of the United Nations can ensure that tax revenues are used to uphold human rights and advance sustainable development.²³

Question 5

“Please describe how the role of social dialogue can ensure a just transition for all, particularly through the participation of employers’ organizations and trade unions in consultations regarding legal and policy frameworks drawing on International Labour Standards and Fundamental Principles and Rights at Work.”


¹⁹ ‘Tax Justice Network Hails World-Leading Australian Legislation on Corporate Tax Transparency’, *Tax Justice Network* <<https://taxjustice.net/press/tax-justice-network-hails-world-leading-australian-legislation-on-corporate-tax-transparency/>> [accessed 11 December 2024]. Australian Taxation Office, ‘New Public Country-by-Country reporting requirement’ <<https://www.ato.gov.au/businesses-and-organisations/business-bulletins-newsroom/new-public-country-by-country-reporting-requirement#>> [accessed 11 December 2024].

²⁰ ‘Submission to the UN Independent Expert on the Effects of Foreign Debt and Human Rights’ Call for Inputs: ‘Fiscal Legitimacy through Human Rights’, *Tax Justice Network* <<https://taxjustice.net/reports/submission-to-the-un-independent-expert-on-the-effects-of-foreign-debt-and-human-rights-call-for-inputs-fiscal-legitimacy-through-human-rights/>> [accessed 11 December 2024].

²¹ ‘General Comment No. 24 (2017) on State Obligations under the International Covenant on Economic, Social and Cultural Rights in the Context of Business Activities’ <<https://documents.un.org/doc/undoc/gen/g17/237/17/pdf/g1723717.pdf>> [accessed 28 December 2024].

²² ‘Litany of Failure: The OECD’s Stewardship of International Taxation’, *Tax Justice Network* <<https://taxjustice.net/reports/litany-of-failure-the-oecd-s-stewardship-of-international-taxation/>> [accessed 3 June 2024].

²³ ‘United Nations General Assembly Votes Overwhelmingly to Begin Historic, Global Tax Overhaul’, *Tax Justice Network* <<https://taxjustice.net/press/united-nations-general-assembly-votes-overwhelmingly-to-begin-historic-global-tax-overhaul/>> [accessed 11 December 2024].



Social dialogue is a cornerstone of ensuring a just transition, bringing together trade unions, workers and governments to design fair and inclusive legal and policy frameworks. Rooted in decent work frameworks such as the International Labour Organization’s International Labour Standards and the Fundamental Principles and Rights at Work, dialogue ensures that the voices of those most affected by climate transitions plans are heard and addressed.

Through consultation, trade unions can advocate for workers’ rights, including retraining programmes and inclusive labour policies. In Scotland’s Just Transition Commission, unions have played a key role in shaping policies to support workers transitioning from carbon-intensive sectors to greener industries. Employers’ organisations, on the other hand, contribute by identifying practical industry shifts, ensuring compliance with labour standards, and fostering equitable restructuring processes.

When supported by robust fiscal frameworks, social dialogue can mobilise the resources necessary to fund workforce protections and training programs. It also lends legitimacy and cohesion to societies already at increased risk of political fragmentation. Countries like South Africa have attempted this engagement with unions and employers in their Just Energy Transition Partnership, trying to ensure that climate action prioritises workers’ needs and creates opportunities in renewable sectors.

By fostering collaboration, social dialogue helps ensure that climate transitions uphold the right to work and social safety nets while promoting inclusion and representation.

Question 6

“Please provide recommendations on relevant actions to be taken at local, country, regional, and global levels, including relating to international cooperation. Please identify any specific legal, policy and economic transformations that may enable a just transition.”

At the local level, governments should adopt progressive tax policies to generate revenue for essential services such as health care, education, and housing. Community-led processes, like participatory budgeting, should be institutionalised to ensure public funds address local needs.

At the national level, countries must strengthen their tax systems to prioritise inclusion and fairly raise revenue. This includes proactively publishing financial data and statistics in line with international reporting standards and obligations. Progressive tax policies such as wealth taxes and increases in the corporate tax rate can both raise revenue and strengthen democratic cohesion. Transparency measures, including public beneficial ownership registries can help combat illicit finance and increase public trust and cohesion. Adjacent areas of private sector regulation, such as Business and Human Rights Action Plans, should also include a focus on taxation and financial transparency to ensure policy coherence. Of the 34 countries which have thus far developed National Action Plans on Business and Human Rights, Kenya has been the only one

to meaningfully address the issue of abusive corporate tax practices.²⁴ Of the others that have mentioned taxation as a human rights concern, it has only been raised tangentially.²⁵

At the regional level, cooperation is vital for tackling shared challenges. Initiatives like the African Tax Administration Forum or the Latin American Regional Platform for Tax Cooperation (PTLAC) demonstrate how regional collaboration can strengthen tax systems, mobilise more resources and forge common and progressive positions. Countries can share best practices, coordinate policies, and address cross-border tax abuses collectively.

At the global level, systemic reforms are necessary to govern standards of transparency and accountability and to ensure fairness in international tax rules, as well as to further legitimise and widen policy space for progressive tax regimes at the national and regional level. Establishing a United Nations-led international tax body could create a more equitable framework for global tax governance. Mandatory country-by-country reporting for multinational corporations and stronger enforcement of climate finance commitments are also critical for aligning economic systems with just transition goals.²⁶

International cooperation is essential for addressing global inequalities and ensuring that no one is left behind in the transition. Legal and policy frameworks should incorporate human rights impact assessments, ensuring alignment with international human rights obligations. Financing mechanisms must prioritise the needs of vulnerable populations, particularly in the Global South.

Question 7

“Please provide information on any relevant data, analysis, and assessments regarding human rights and just transition.”

Data is essential to uncover existing socioeconomic inequalities between different communities of people upon which climate transition strategies are formulated. Reliable data is also necessary to prevent policies that risk deepening these inequalities. High quality data on labour market, fiscal capacity, and vulnerability metrics that can be adequately disaggregated can identify where transition plans may exacerbate disparities, such as job losses in fossil fuel-dependent sectors or inadequate access to social protections for marginalized groups. For example, the International Labour Organization highlights²⁷ job

²⁴ Government of the Republic of Kenya, June 2019. National Action Plan on Business and Human Rights For the Implementation of the United Nations Guiding Principles on Business and Human Rights.


https://www.ohchr.org/sites/default/files/Documents/Issues/Business/NationalPlans/2019_FINAL_BHR_NAP.PDF

²⁵ Danish Institute for Human Rights (DIHR), Global NAPs Database. See: <https://globalnaps.org/issue/tax/>

²⁶ Global Initiative for Economic, Social and Cultural Rights and Tax Justice Network, *White Paper Loss and Damage - the Missing Piece: International Tax Cooperation for New Climate Finance*, November 2022

<https://static1.squarespace.com/static/5a6e0958f6576ebde0e78c18/t/63cf1a7b7a1e3a65c9a5a54d/1674517116085/Paper+Loss+-+Damage.pdf> [accessed 15 November 2023].

²⁷ ‘The Employment Impact of Climate Change Adaptation – Input Document for the G20 Climate Sustainability Working Group’.



displacement risks in high-carbon industries, emphasising the need for targeted retraining and inclusion of historically disadvantaged workers, such as women and indigenous communities, in emerging green economies.

Similarly, fiscal data on public revenue allocation can expose structural inequalities. Without robust funding mechanisms, such as progressive taxation, lower-income groups often bear disproportionate burdens of transition costs, as seen in debt-financed climate policies in the Global South. As previously discussed, more transparency in relation to various corporate practices and tax flows is crucial to understanding how financial systems may perpetuate or alleviate inequality during transitions, as well as concealing further fossil fuel expansion²⁸ and environmental crimes.

By collecting better data and leveraging it to inform policy decisions, governments can ensure just transitions that actively reduce inequality, uphold human rights, and prioritise the most vulnerable populations. Without it, policies risk perpetuating the inequities that climate transitions aim to resolve.

²⁸ 'How "greenlaundering" Conceals the Full Scale of Fossil Fuel Financing', *Tax Justice Network* <<https://taxjustice.net/reports/climate-betrayal-how-greenlaundering-conceals-the-full-scale-of-fossil-fuel-financing/>> [accessed 28 December 2024].



Conclusion

A just transition is more than a pathway to environmental sustainability—it is a moral imperative to secure human rights, reduce inequality, and uphold dignity for all. Addressing the systemic challenges of tax abuse, fiscal opacity, and underfunded public services is fundamental to this process. Equitable and transparent tax systems are not merely financial tools; they are the backbone of sustainable development and the realisation of human rights.

By embedding the principles of the 5Rs into fiscal policies, governments can ensure that the benefits of a just transition are shared inclusively. Additionally, adopting the ABCs to G3 of tax justice offers a practical roadmap for creating fairer global and national tax systems capable of funding the transition to a low-carbon, equitable future.

However, achieving a just transition requires bold, coordinated action at every level—local, national, regional, and global. It also demands the participation of those most affected, ensuring that marginalised voices are not only heard but empowered. By fostering accountability, equity, and global cooperation, we can create systems that transcend economic disparities and environmental degradation, building resilience for present and future generations alike.

The stakes are high, but so too are the opportunities. With commitment, collaboration, intergovernmental cooperation and vision, we can deliver a just transition that leaves no one behind and sets the foundation for a sustainable, fair, and inclusive world.