CLIMATE ANALYTICS

Navigating the just transition: trends and knowledge for the Caribbean

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About Climate Analytics

Climate Analytics is a global climate science and policy institute. Our mission is to deliver cutting-edge science, analysis and support to accelerate climate action and keep warming below 1.5°C.

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Summary

This report explores how Caribbean Small Island Developing States (SIDS) can advance a just transition in the face of climate change, economic vulnerability, and limited resources. While the just transition concept has largely developed around high-emitting economies, this report considers it in the Caribbean context, where the challenge is less focused on transitioning large fossil fuel industries and more integrated with fostering resilient, inclusive and sustainable development.

Key messages:

1. Understanding just transition in the Caribbean context
    a. Originally rooted in labour movements, the just transition now encompasses fairness, equity, and inclusion in climate action.
    b. For SIDS, it means linking decarbonisation with adaptation, resilience and social justice – not just transition of the workforce.
    c. Unlike coal or oil-dependent economies, most Caribbean countries must redefine just transition around sustainable livelihoods, resilience building and financial equity.

2. Caribbean vulnerability and the urgency of 1.5°C
    a. Caribbean SIDS are among the most climate-vulnerable countries globally, facing stronger storms, sea-level rise, coral reef degradation, and loss of livelihoods, among other risks and impacts.
    b. Economic fragility, high debt-burdens, and dependence on both tourism and fossil fuel imports exacerbates these risks.
    c. Caribbean leaders have championed “1.5°C to stay alive” as a survival threshold, underscoring the irreversible impacts and stakes of climate inaction.

3. Global action as a pre-requisite
    a. No just transition for SIDS is possible without urgent global emissions cuts and compliance with the Paris Agreement.
    b. The first Global Stocktake revealed that the global community is off-track with regard to limiting global warming below 1.5°C. Without course correction and accelerated action toward net zero

emissions by the middle of the century, lives and livelihoods in SIDS will be severely jeopardised.
   c. International legal developments, such as the recent International Court of Justice Advisory Opinion, affirm state obligations under international law to uphold climate commitments.

4. Re-defining a Caribbean-centric just transition
   a. Priorities include reducing fuel import dependency and creating green jobs and enhancing resilience in key sectors like energy, agriculture, fisheries, and tourism.
   b. Transition pathways must be participatory and inclusive, and reflective of Caribbean realities, particularly for informal workers, women, and vulnerable communities.
   c. Economic diversification, equitable access to finance, and regional cooperation are central to achieving resilience and prosperity.

5. Key sectors and pathways for change include:
   a. Energy: Scaling up solar, wind, storage and micro-grids, improving energy efficiency and reducing fossil fuel subsidies.
   b. Agriculture and fisheries: Promoting climate smart farming, sustainable aquaculture, and regenerative practices for food security.
   c. Tourism: Shifting to greener tourism practices, powered by renewables and conservation.
   d. Finance and technology: Expanding access to concessional climate finance, blended finance models and technical training.

6. Challenges to implementation
   Achieving the recommended changes above is not without limitation due to challenges such as:
   a. Financing barriers: high borrowing costs, limited concessional finance, and debt constraints.
   b. Infrastructural and technological limitations: outdated grids, dependence on imported technologies, and weak local manufacturing capacity.
   c. Institutional gaps: fragmented policies, limited workforce training, and insufficient public awareness.
   d. Climate shocks: hurricanes and disasters divert resources away from long-term investments in transition pathways.

Table of Contents

Introduction

This report explores the concept of a just transition and its application in the Caribbean region. For the purpose of this report, just transition will be defined as "ensuring that no one is left behind or pushed behind in the transition to low-carbon and environmentally sustainable economies and societies."[1] Given the Caribbean's vulnerability to climate change, economic dependence on fossil fuels, and other socio-economic challenges, a just transition is critical to securing a sustainable and inclusive future. However, there is a severe dearth of information on just transition implementation suitable to the Caribbean context. As such, **this report examines what is a just transition, why it is essential for Caribbean small islands, and what it might entail considering their exposure to climate-related disasters, reliance on imported fossil fuels for electricity and transport, and the significance of their tourism, agriculture and fisheries sectors**.

The first section introduces the concept of a just transition and provides important contextual background information relevant to the report. The second section summarises some key elements of just transition principles, drawing on those developed by various international organisations and alliances. This is followed by a discussion on implementation of a just transition in the Caribbean context, including why it is important and consideration of the unique circumstances of Caribbean small island developing states (SIDS) in this regard. The fourth section provides some recommendations on various actions that can be taken in the region to support a just transition, and also details global and regional case studies of countries that have already taken the lead in developing just transition policies.

This report provides information for various audiences interested in understanding just transition in the Caribbean context and promotes the idea that climate action in the Caribbean should be socially inclusive, economically viable, and nationally aligned. This report is written for:

- Members of the public who want to understand what is at stake and what a just transition means for them;

[1] See Committee for Development Policy input to ECOSOC here https://policy.desa.un.org/sites/default/files/2025-06/cdp-excerpt-2023-1.pdf

- Non-profit organisations and advocates working on climate justice, social development, and community resilience;
- And anyone who believes that the Caribbean can continue to thrive in the face of a changing climate.

Background and context

Caribbean SIDS and the climate crisis: "1.5°C to Stay Alive!"

Small Island Developing States (SIDS), including those in the Caribbean, are among the most climate-vulnerable in the world.[2] Despite their diversity in language, culture, and geography, SIDS share a common set of vulnerabilities that heighten their exposure to climate change and economic shocks. These include but are not limited to ecological fragility, limited natural and financial resources, geographic dispersion, low lying coastal areas and isolation from global markets.[2]

Scientific evidence shows these vulnerabilities are already worsening. SIDS are already facing increased levels of precipitation, higher storm surges, faster winds, and increased intensity of tropical cyclones as a result of climate change, and projections suggest higher proportions of Category 4 and 5 tropical cyclones.[3] The IPCC Special Report on the Impacts of Global Warming of 1.5°C, which was released in 2018 states with high confidence that "increasing warming amplifies the exposure of small islands, low-lying coastal areas and deltas to the risks associated with sea level rise for many human and ecological systems, including increased saltwater intrusion, flooding and damage to infrastructure."[4] Together, these impacts threaten lives, livelihoods and the natural foundation of Caribbean economies.

[2] Haynes, R. The IPCC has highlighted the Caribbean's vulnerability to climate change: what does this mean for climate justice? Climate Analytics (2022); Thomas, A., Baptiste, A., Martyr-Koller, R., Pringle, P. & Rhiney, K. Climate change and Small Island Developing States. Annual Review of Environment and Resources 45, 1–27 (2020).
[3] Thomas, A., Baptiste, A., Martyr-Koller, R., Pringle, P. & Rhiney, K. Climate change and Small Island Developing States. Annual Review of Environment and Resources 45, 1–27 (2020).
[4] IPCC, 2018: Global Warming of 1.5°C.An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S.

Table 1: Examples of climate impacts faced by Caribbean countries[4]

Extreme Weather Events:	An increase in the number of hot days in most land regions, with highest increases in the tropics (like the Caribbean).
Sea Level Rise	Increasing coastal flooding risks for low-lying regions and island nations.
Ecosystem Disruptions	Coral reefs face widespread bleaching, and biodiversity loss intensifies as species struggle to adapt to changing temperatures.
Food and Water Security Risks	Crop yields decline due to shifting rainfall patterns and prolonged droughts, threatening global food supplies.
Human Health Impacts	Increased heat-related illnesses, vector-borne diseases, and air pollution-related conditions, disproportionately affecting vulnerable populations.
Economic and Social Inequalities	Climate change exacerbates poverty and displacement, disproportionately impacting marginalized communities.

Recognising the serious and irreversible threats of climate change, SIDS played a key role in advocating for the 1.5°C temperature threshold during the lead up to the 2015 Paris Agreement.[3] The slogan "**1.5 to Stay Alive"** became a rallying cry for all SIDS, including Caribbean nations, highlighting that even a modest rise in global temperatures could result in irreversible damage to their ecosystems, economies and communities.[3] This threshold is widely viewed as critical, given that impacts of climate change have potential to rapidly become unmanageable and detrimental to the livelihoods of Caribbean nationals beyond this point.[3]

Caribbean SIDS account for roughly half of all SIDS globally, and their situation illustrates the compounding pressures of climate and economics.[3] In their context, scientific evidence highlights that rising sea levels are already eroding Caribbean coast lines, where extensive coastal development has increased

Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA, 616 pp. https://doi.org/ 10.1017/9781009157940

susceptibility to inundation.[3] Additional threats stem from climate variability, such as prolonged droughts and unseasonal rain, and increasing frequency of severe tropical storms.[3] Warming oceans have also led to coral bleaching and negative impacts on ocean life forms while shifting environmental conditions are enabling the spread of new disease vectors.[3] Collectively, these impacts threaten to undermine development prospects across the Caribbean, with severe implications for key sectors such as tourism, fisheries, agriculture, and public health.[2]

Further, Caribbean SIDS are also facing a complex intersection of climate vulnerability and economic precarity. High levels of external debt, limited fiscal space, and dependence on climate-sensitive sectors like tourism make recovery from disasters particularly difficult.[5] Recent events demonstrate this: in July 2024, Hurricane Beryl caused losses and damages estimated at nearly one-third of Grenada's economy.[6] To cope, Grenada activated a "debt pause," a new tool enabling small countries, including island nations, to temporarily halt repayments on both existing and new loans, along with related interest payments, following a natural disaster. The debt pause aims to provide disaster-stricken countries with crucial "breathing room" to focus on recovery efforts.

These realities show that climate impacts in the Caribbean are not only environmental, but are also deeply economic and social. For this reason, a just transition to low-carbon and climate-resilient economies for Caribbean SIDS **addresses debt sustainability, access to finance, and considers their unique vulnerability to climate impacts** which will be discussed in more detail below.

What is just transition?

The term "just transition" risks becoming a cliché in global climate conversations, as it is increasingly being promoted but its meaning remains unclear, as it varies depending on regional, political and social contexts.[7] At its core, **a just transition aims to reduce existing inequalities while amplifying the opportunities that**

[5] British Academy (2021), Just Transitions in Small Island Developing States (SIDS), The British Academy, London doi.org/10.5871/just-transitions/9780856726750.001
[6] Grenada estimates damages from Hurricane Beryl at up to a third of economy | reuters. REUTERS Available at: https://www.reuters.com/world/americas/grenada-estimates-damages-hurricane-beryl-up-third-economy-2024-07-31/.
[7] Wang, X. & Lo, K. Just transition: A conceptual review. Energy Research & Social Science 82, 102291 (2021).

come with climate action.[8] In so doing, **it aims to maximise the benefits of climate action while minimising negative impacts on workers and their communities**.[9] Crucially, it bridges traditional justice concerns, such as **distributional, procedural, and recognition justice, with socio-technical challenges related to decarbonisation**.[9] As countries accelerate to zero-carbon economies, operationalising a just transition becomes essential. This will require policies that balance economic, social, and environmental priorities.

To fully grasp its implications, it is helpful to explore the concept's historical roots. The idea of a just transition first emerged from grassroots labour movements in North America.[9] In the 1970's, workers and communities impacted by environmental regulations advocated for fair compensation and job protection for those affected by the shutdown of polluting industries.[9] This labour-based perspective shaped early discussions at the international level, under the United Nations Framework Convention on Climate Change (UNFCCC). For example, trade unions and organisations like the International Labour Organization (ILO) and the International Trade Union Confederation (ITUC) pushed for climate policies that support workers through the transition, by promoting decent work and quality jobs.[9] These efforts helped embed the concept into international climate frameworks, most notably the Paris Agreement which was adopted in 2015.

However, as alluded to above, the concept has expanded beyond its initial focus on protecting workers in extractive industries.[8] **It now encompasses a broader set of justice concerns, including equity and inclusion for marginalised groups, access to clean and affordable energy, respect for human rights, social protections for those affected by climate shifts, and meaningful participation in decision-making**.[9] These elements highlight the importance of ensuring that the transition to a low-carbon economy does not reinforce existing inequalities but instead creates opportunities for **fair and inclusive development.**

This broader understanding of just transition is reflected in recent reports and international climate governance decisions. For instance, the **IPCC's Sixth Assessment Report (AR6)** defines just transition as **"a set of principles, processes, and practices that aim to ensure that no people, workers, places,**

[8] What is the just transition and what does it mean for climate action? Grantham Research Institute on climate change and the environment (2024). Available at: https://www.lse.ac.uk/granthaminstitute/explainers/what-is-the-just-transition-and-what-does-it-mean-for-climate-action/.

[9] Stevis, D. & Felli, R. Planetary just transition? how inclusive and how just? Earth System Governance 6, 100065 (2020).

sectors, countries, or regions are left behind in the transition from a high-carbon to a low-carbon economy."[10] This explanation reflects that just transition is no longer limited to protecting workers in fossil-fuel dependent sectors, but now encompasses the full spectrum of social and economic impacts and implications tied to decarbonisation.

Just Transition in the Paris Agreement context

The broader scope of the just transition has also been reflected in decisions coming out of the Paris Agreement process. The Paris Agreement provides the foundational framework for global climate action, with its long-term goal of limiting global temperature rise to well below 2°C, with efforts to keep warming under 1.5°C.[11] In 2022, at. COP27, Parties established the Just Transition Work Programme (JTWP), which aims to guide countries in integrating just transition principles into climate policy, particularly through:[12]

- Ensuring that **workers affected by economic shifts receive adequate support**, including retraining programs and employment safeguards
- Promoting **inclusive stakeholder engagement**, including marginalised groups by integrating equity considerations into climate policy, ensuring that women, youth, indigenous peoples, and other marginalised communities have a voice in shaping transition strategies
- Encouraging **tailored national approaches** based on diverse economic structures
- Facilitating **cross-border knowledge exchange and dialogue through multilateral collaboration**, fostering regular dialogues among governments, businesses, labour unions, and civil society organisations to exchange best practices and strategies for implementing equitable transitions.

Recognizing the need for tailored approaches, the JTWP was established to explore pathways for achieving the Paris Agreement's objectives in a manner

[10] Climate change 2023: Synthesis report (full volume) contribution of Working Groups I, II and III to the Sixth Assessment Report of the intergovernmental panel on climate change. Available at: https://www.researchgate.net/publication/372768149_Climate_Change_2023_Synthesis_Report_Full_Volume_Contribution_of_Working_Groups_I_II_and_III_to_the_Sixth_Assessment_Report_of_the_Intergovernmental_Panel_on_Climate_Change.
[11] Paris Agreement 3156 UNTS 54113 (adopted 12 December 2015, entered into force 4 November 2016).
[12] Work Programme on Just Transition Pathways Referred to in the Relevant Paragraphs of Decision 1/CMA.4 (UNFCCC, 2022).

that prioritises fairness. It acknowledges that each nation has unique economic structures, labour markets, and development priorities, requiring policies that reflect national circumstances rather than a one-size-fits-all model.

The Global Stocktake (GST) and a Just Transition

In addition to the JTWP, the Global Stocktake (GST) is another key mechanism under the Paris Agreement that highlights the importance of a just transition. The GST provides a comprehensive assessment of global progress toward climate goals. Its first outcome includes an "energy package" which provides a critical framework for accelerating the transition to clean energy systems.[13] It calls for deep, rapid, and sustained reductions in greenhouse gas emissions, emphasising the need for a just, orderly, and equitable transition away from fossil fuels in energy systems to achieve net-zero emissions by 2050.[14] The GST outcome highlights the global commitment towards:[14]

- Tripling global renewable energy capacity and doubling the rate of energy efficiency improvements by 2030.
- Phasing out inefficient fossil fuel subsidies, ensuring that financial resources are redirected toward clean energy investments.
- Scaling up zero- and low-emission vehicles, reducing reliance on imported fossil fuels for transportation.
- Substantially reducing methane emissions, which disproportionately impact climate-sensitive regions like SIDS.

In particular, the decision references just transition in several places such as "underlining that just transitions can support more robust and equitable mitigation outcomes, with tailored approaches addressing different contexts" and "noting that just transition of the workforce, the creation of decent work and quality jobs, and economic diversification are key to maximising the positive and minimising the negative impacts of response measures, and that strategies related to just transition and economic diversification should be implemented taking into account different national circumstances and contexts."[14]

[13] Outcome of the first global stocktake Referred to in the Relevant Paragraphs of Decision 1/CMA.5 (UNFCCC, 2023)

Just Transition principles

Key principles as building blocks

To guide this journey, principles developed by international organisations, grassroots movements and development banks provide a useful foundation. Yet for the Caribbean, these must be adapted – debt sustainability, tourism dependence and community resilience are central pillars of a just transition for SIDS.

While the concept of a just transition is increasingly integrated into global climate and development discourse, its operationalisation remains highly context dependent. For Caribbean SIDS, a just transition must address decarbonisation as well as the structural vulnerabilities that exacerbate social and economic inequality, such as high debt burdens, climate exposure, and fossil-fuel dependency. Unlike large, high-emitting countries, the Caribbean context requires a just transition that is adaptive, resilient, and development focused.

This section reviews a range of just transition principles developed by international institutions, regional alliances and grassroots movements. These frameworks offer important guidance on integrating environmental, economic and social priorities. Many of the case studies above seem to draw upon these principles. However, they reveal gaps which need to be addressed in the Caribbean context.

The following table and discussion serve three purposes:

1. To identify universal principles that can be adapted to the Caribbean context, including those on social protection, stakeholder participation and workforce development.
2. To highlight existing gaps and blind spots, such as the limited focus on debt sustainability and tourism-dependence.
3. To support the development of a regionally relevant just transition agenda, which blends international approaches with local realities across key sectors like energy, tourism, agriculture and fisheries.

The table synthesises common themes across just transition principles developed by:

- The **International Labour Organization (ILO)**, which is a specialised agency of the United Nations (UN) dedicated to promoting decent work, social justice, and improved labour conditions worldwide. Established in 1919 under the Treaty of Versailles as part of the League of Nations, the ILO became the first specialised agency of the UN in 1946. The ILO plays a crucial role in shaping international labour policies, ensuring that economic progress does not come at the expense of worker protections and fundamental rights. There just transition guidelines can be found here.
- The **Stockholm Environment Institute (SEI)**, which is a well-known international non-profit research and policy organization that tackles environment and development challenges.[14] They connect science and decision-making to develop solutions for a sustainable future for all. With several published reports and articles on just transition, they have developed seven principles for a just transition, which can be found here.
- A **joint multilateral development banks** set of principles, including African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, European Investment Bank, European Bank for Reconstruction and Development, InterAmerican Development Bank Group, Islamic Development Bank, New Development Bank, Council of Europe Development Bank. Their just transition high level principles can be found here.
- **Climate Justice Alliance**, which was formed in 2013 to create a new centre of gravity in the climate movement by uniting frontline communities and organisations into a formidable force. They focus on building a Just Transition away from extractive systems of production, consumption and political oppression, and towards resilient, regenerative and equitable economies. The Alliance places race, gender and class at the centre of the solutions equation in order to make a truly Just Transition. Their member alliance consists of 95 urban and rural frontline communities, organisations and supporting networks in the climate justice movement and work on anchoring major Just Transition projects focused on the social, racial, economic, and environmental justice issues of climate change.[15] Their principles can be found here.

[14] Aaron Atteridge, Claudia Strambo, and Stockholm Environment Institute, "Seven Principles to Realize a Just Transition to a Low-Carbon Economy" (Stockholm Environment Institute 2020) https://www.sei.org/wp-content/uploads/2020/06/seven-principles-for-a-just-transition.pdf
[15] All information on the CJA can be found on their website: https://climatejusticealliance.org/about/

- **Just Transition Alliance**, which has brought together environmental justice groups and local unions to tackle polluting extractive industries causing harm to communities and workers. For three decades, JTA has built alignment between the people of colour, Indigenous, migrant and poor communities first and most harmed by such industrial impacts and the workers in these industries by sharing vision, principled practice and power. They aim to cultivate widespread grassroots capacity to organise just transition strategies for solidarity economies at appropriate local or regional scales that are designed, built and governed by those workers and communities on the frontlines and fence lines of harmful production.[16] Their principles can be found here.
- The **G20 Research Group** is a global network of scholars, students and professionals in the academic, research, business, non-governmental and other communities who follow the work of the G20 leaders, finance ministers and central bank governors, and other G20 institutions. It is directed from Trinity College in the University of Toronto, also the home of the G7 Research Group.[17] The G20's principles for just and inclusive energy transitions are available here.

[16] More information on the JTA can be found here: https://jtalliance.org/about-us/
[17] https://www.g20.utoronto.ca/about.html

Table 2: An overview of key themes in various just transition principles

Principle/theme	Description	Supported by	Applicability to Caribbean SIDS
Finance mobilisation and debt sustainability	Addresses the critical challenges of limited fiscal space, high debt burdens, which constrain capacity for transition-related investments.	G20, MDBs	Often underemphasised in just transition discourse, but arguably the most urgent issue for Caribbean SIDS as financial constraints significantly hinder progress.
Clean energy transition/ decarbonisation	Rapid reduction of emissions through the decline of high-emitting sectors, avoiding carbon "lock-in" and transitioning from GHG-intensive activities toward net-zero.	Stockholm Environment Institute, MDBs, G20	A fundamental pillar of a just transition in the Caribbean. However, decarbonisation efforts must be complemented by adaptation and resilience building measures.
Social protection for workers and vulnerable communities	Protection of labour rights, support for displaced workers, access to re-skilling and upskilling, and mitigation of impacts on marginalised groups through	ILO, Stockholm Environment Institute, MDBs, G20	Essential for an equitable transition. As fossil fuel-based jobs decline, re-skilling initiatives will be critical. Caribbean SIDS should also focus on typically overlooked sectors such as fisheries, tourism and agriculture, and the informal economy. For example, transitioning to sustainable tourism would

	inclusive job creation.		require up-skilling initiatives.
Participatory governance and social dialogue (as well as inclusivity and transparency)	Inclusive decision-making that engages workers, employers, policymakers, and community representatives at all levels.	ILO, Stockholm Environment Institute, MDBs, Climate Justice Alliance, G20	Vital for public ownership and co-creation of transition strategies that reflect the needs of all stakeholders, particularly marginalised groups. Importantly, this principle is directly related to the Escazú Agreement, formally titled "Regional Agreement on Access to Information, Public Participation, and Justice in Environmental Matters in Latin America and the Caribbean." As its title suggests, the Agreement aims to ensure effective participatory engagement in environmental decision-making and it takes a rights-based approach. Twelve Caribbean countries have signed on to the Agreement and thus its commitments and principles should be referred to and embedded in a regional just transition.
Alignment with Paris Agreement and Sustainable Development Goals	Coherent implementation of the Paris Agreement and SDGs, including delivery of NDCs, enhancement of livelihoods and	ILO, MDBs	Enables policy coherence and development synergies. For Caribbean SIDS, alignment supports integrated planning and minimises duplication of efforts.

	strengthening resilience.		
Gender equity	Acknowledges existing gender disparities and calls for gender-responsive policies that ensure equitable access to opportunities, resources and benefits, particularly for women and marginalised populations.	ILO, MDBs, Climate Justice Alliance	Highly relevant to the region. Achieving gender equity will require intentional, targeted policy action that builds on existing and ongoing efforts.
Nationally driven approaches	Recognition that there is no one-size-fits-all approach to just transition and that policies must be tailored to specific circumstances, needs and conditions.	ILO, G20, MDBs,	Just transition pathways in the Caribbean must consider their unique circumstances, as mentioned above.
Policy coherence	Calls for harmonised policies across sectors such as labour, energy, education, health, business and	ILO, MDBs, G20	Given limited institutional capacity in many Caribbean nations, aligning policies is essential to avoid fragmented or duplicative efforts.

	broader development planning.		
Localised community led approaches	Empowers communities to lead the transition process, ensuring locally grounded solutions that reflect community priorities and knowledge.	Climate Justice Alliance, Just Transition Principles	Highly applicable, particularly in small island contexts where community cohesion and traditional knowledge can drive resilient and sustainable outcomes.
Support for affected regions/sectors	Ensures that regions and sectors facing unavoidable adverse impacts from the transition receive targeted support and resources.	Stockholm Environment Institute, MDBs, G20	Particularly relevant in the Caribbean, where key sectors such as tourism, fisheries and agriculture are often under-discussed in the just transition discourse.

Why a just transition looks different in the Caribbean

Re-defining the transition for the Caribbean

Unlike large, high-emitting economies, most Caribbean countries have limited fossil fuel industries to phase out. Instead, their transition must be redefined – focused on reducing dependence on imported energy, diversifying economies and protecting communities from escalating climate shocks. This requires both global solidarity and locally driven solutions.

A just transition for SIDS hinges on global compliance with the Paris Agreement

The first GST revealed that the world remains significantly off-track to achieve the Paris Agreement's long-term objectives, including limiting global warming to 1.5°C.[18] According to the UN Environment Programme's 2023 Emissions Gap Report, the G20 countries, i.e., those responsible for the vast majority of global emissions, are collectively falling short of their 2030 Nationally Determined Contributions (NDCs).[15] Alarmingly, eleven G20 members are not on track to achieve their NDC targets with existing policies, and those projected to meet their NDC target based on current policies currently are those that did not strengthen, or only moderately strengthened, their target levels in their most recent NDCs.[15] Moreover, the combined efforts of the G20 remain significantly misaligned with the emissions reductions required to limit global warming to 2°C or 1.5°C.[15] Thus, the gap between current emissions trajectories and the reductions required to limit warming to 1.5°C remains dangerously wide.

[18] Olhoff, A. et al. Emissions gap report 2024: No more hot air … please! with a massive gap between rhetoric and reality, countries draft new climate commitments (2024). doi:10.59117/20.500.11822/46404

In this sense, it is crucial to acknowledge that **a just transition for SIDS is impossible without urgent and ambitious global action to meet the goals of the Paris Agreement.** This is because SIDS already face disproportionate and escalating climate impacts, as described above, and failure to implement ambitious global climate action poses serious and irreversible threats to these countries. Thus, meaningful progress at the international level is required in order for SIDS to avoid the compounding costs of adaptation, loss, damage and recovery. **In this sense, SIDS require both a stabilised global climate and implementation of national transition strategies.**

The finance outcomes of the GST, outlined in Paragraphs 66 through 100 of Decision 1/CMA.5, emphasise the need for the urgent scaling up of climate finance.[14] This includes the doubling of adaptation finance, the mobilisation of concessional funding, and enhancement of financial flows toward low-carbon and climate-resilient development. For SIDS, these provisions are vital even though they do not go far enough to address the real costs of a 1.5°C aligned just transition. **SIDS face persistent barriers to finance, including high borrowing costs, limited fiscal space, and complex debt dynamics, which can hinder their ability to invest in transition pathways.[19]** The GST outcome rightfully acknowledges these challenges and reinforces the need for equitable financial mechanisms that align with SIDS' specific needs and development priorities.[14] **Yet, even with increased finance, the success of just transition strategies in SIDS is not guaranteed if global emissions continue to rise**.

The reality is stark – a just transition for SIDS requires global compliance with the Paris Agreement and climate related obligations under international law. Ambition must increase across the board. For SIDS, the international community's ability or failure to uphold these principles will ultimately affect their ability to decarbonise in a just manner.

[19] Economic Commission for Latin America and the Caribbean (ECLAC), The economics of climate change in Latin America and the Caribbean, 2023: financing needs and policy tools for the transition to low-carbon and climate-resilient economies (LC/TS.2023/154), Santiago, 2023.

The ICJ ruling and just transition

Moreover, the recent landmark Advisory Opinion of the International court of Justice (ICJ) affirms the binding nature of climate responsibilities under international law.[20] The ICJ's findings emphasise the legal duty of states to meet climate commitments and uphold the temperature goal. The ICJ determined that the 1.5°C limit must be treated as the primary goal due to the urgent and serious and irreversible threats of climate change.[18] It further found that States have a responsibility to regulate private activity within their jurisdictions, and they have a responsibility to all other states for the consequences of actions taken and omissions, and that this together means that countries have an obligation to limit, reduce,›° and ultimately eliminate fossil fuel production.[18] **These findings are crucial, as they might be used to support the global responsibility for a global just transition in line with the Paris Agreement.**

[20] Obligations of States in respect of Climate Change Advisory opinions. (2025). See here: https://www.icj-cij.org/case/187/advisory-opinions

Defining a Caribbean just transition

As global discourse on just transition evolves, it is increasingly clear that implementation must reflect national circumstances and social priorities. **While much of the focus has centred on phasing out fossil fuels and retraining workers in carbon-intensive economies, this approach must be expanded to address the distinct challenges faced by Caribbean SIDS.** Unlike many larger economies, most Caribbean countries lack large-scale extractive industries.[5] Instead, their primary concerns lie in high dependency on imported fuels, limited financial and human resources, underemployment, informal labour markets and extreme vulnerability to climate impacts like storms, flooding, and sea-level rise.[5] Consequently, **a Caribbean just transition must also focus on enhancing livelihoods, building resilience, and advancing socially just adaptation measures**.

Given these circumstances, just transition pathways in Caribbean SIDS should prioritise:

- **Creating decent work and sustainable livelihoods in emerging green sectors;**
- **Diversifying economies to reduce dependence on vulnerable industries;**
- **Enhancing infrastructure, health systems, food security, and water management to withstand climate impacts;**
- **Securing fair access to climate finance and technology; and**
- **Safeguarding communities already facing severe climate-related disruptions.**

These are not peripheral concerns, they are essential to ensuring that any transition is equitable, sustainable, and responsive to regional realities. Caribbean SIDS would benefit from taking a holistic approach that involves transforming key systems such as energy, tourism, food, and transport, among others. **This includes renewable electricity generation, e-mobility, climate smart agriculture, circular economy models and nature-based solutions**.

However, these solutions are not without complexity. Their success hinges on numerous variables, including geopolitical tensions in energy markets, evolving trade standards, fossil fuel import dependence, and persistent mismatches between policy ambitions and actual finance flows. The structural limitations of Caribbean SIDS, including limited administrative capacities, limited natural

resources, small domestic markets and high import dependency, further complicate implementation.[21] Most Caribbean SIDS rely on imported technologies and fossil fuels, while their export portfolios and economic activities are narrow and highly sensitive to global economic shifts.[17]

In particular, **reducing fuel import dependency is a critical objective for climate resilience and economic security in Caribbean SIDS**. This is supported by the fact that the cost of imported fuel consumes a large share of foreign exchange earnings from remittances, development assistance and the tourism industry.[22] Investment in clean energy infrastructure requires substantial importation of manufactured components.[19] This dynamic may expose the region to trade and development imbalances; these challenges are crucial to consider when discussing issues of just transition.

Given the unique vulnerabilities, the concept of a "just transition" must be redefined in the context of Caribbean SIDS. **A just transition for these nations must address systemic development challenges, foster resilience, and ensure relevant economic transformation.** Achieving this requires both global accountability from major emitters, and **robust international support mechanisms that take into account the lived realities of SIDS**. Ultimately, only by bridging global ambition with local needs can the transition be truly just for the Caribbean.

[21] Briguglio, L. (1995) 'Small island developing states and their economic vulnerabilities', World Development, 23(9), pp. 1615–1632. doi:10.1016/0305-750x(95)00065-k.
[22] Adeoti T, Fantini C, Morgan G, Thacker S, Ceppi P, Bhikhoo N, Kumar S, Crosskey S & O'Regan N. Infrastructure for Small Island Developing States - The role of infrastructure in enabling sustainable, resilient and inclusive development in SIDS. UNOPS (2013). Available at: https://www.unops.org/news-and-stories/news/infrastructure-for-small-island-developing-states.

Key sectors to transition

A holistic approach

Energy is at the heart of the Caribbean's transformation, but a truly just transition cannot stop there. Tourism, agriculture and fisheries are equally critical for economic stability, food security, cultural heritage and livelihoods. Transitioning these sectors offers a chance to build resilience while creating new opportunities for green growth.

Building on the above, this section discusses which sectors are crucial to just transition implementation in the Caribbean. **Firstly, the Caribbean region is well placed to realise a fundamental shift in the energy sector, given access to finance.** This is central to reducing the region's dependence on imported fossil fuels. This is both a climate imperative and an economic necessity, as high energy costs and fuel price volatility undermine fiscal stability across SIDS.[23] However, energy transformation alone is insufficient**. For the transition to be genuinely just, it must also encompass economic diversification, infrastructure resilience and equitable access to finance, technology and skills.**

The region holds strong potential to accelerate its clean energy transition by leveraging its abundant solar and wind resources and capitalising on the declining costs of renewable technologies.[20] Distributed solar photovoltaic (PV) systems are already rapidly deployed across many countries.[24] Battery energy storage systems (BESS) are also essential for integrating intermittent renewables and ensuring stability and reliability.[25] In parallel, microgrids and decentralised energy solutions provide a critical opportunity for energy autonomy, especially in remote and disaster-prone areas, strengthening both resilience and

[23] Mowla, W. (2024) Accelerating the energy transition in the eastern Caribbean, Atlantic Council. Available at: https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/accelerating-the-energy-transition-in-the-eastern-caribbean/.
[24] See CCREEE Energy Report Cards. Available here: https://www.ccreee.org/erc/
[25] Masson, M., Ehrhardt , D. and Lizzio, V. (2020) Sustainable energy paths for the Caribbean. Available at: https://publications.iadb.org/publications/english/document/Sustainable_Energy_Paths_for_the_Caribbean.pdf.

community control.[26] Recently, their deployment is picking up speed across SIDS as well.

In addition to expanding renewable energy generation, improving energy efficiency offers immediate and cost-effective gains.[22] Retrofitting buildings with efficient cooling systems, LED lighting, and smart grid technologies can significantly lower energy consumption while cutting costs for households and businesses.[22] These measures not only cut emissions but also alleviate pressure on national budgets, theoretically freeing up resources for social investment as soon as they do no longer need to be subsidised.

While energy transformation lays the foundation, a just transition in the Caribbean must extend to other key sectors that support livelihoods, food systems and economic growth. **Tourism, one of the region's largest industries presents a key sector that can benefit from "greening" through moving towards sustainability**. This involves incorporating renewable energy-powered accommodations, conservation-based tourism models, and low-emission transport options that minimise environmental impact while simultaneously shifting away from brown jobs and generating green jobs. [27]

Similarly, **the agricultural sector will benefit from innovation and deployment of climate-smart approaches, such as drought-resistant crops, regenerative farming techniques, and precision irrigation systems to adapt to changing weather patterns**.[28] This is vital for food security amidst a changing climate. The fisheries sector, also vital for nutrition and income, can shift toward sustainable practices, such as sustainable aquaculture development and marine conservation to balance ecological protection with economic continuity.[29] However, these

[26] Goldwyn, D., Tiah, E. and Mowla, W. (2024) A roadmap for the Caribbean's energy transition, Atlantic Council. Available at: https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/a-roadmap-for-the-caribbeans-energy-transition/#challenges.
[27] See, e.g., RMI, A New Blueprint for Caribbean Energy Independence (Apr. 2025), https://rmi.org/press-release/a-new-blueprint-for-caribbean-energy-independence/; Caribbean Journal, Nature-Positive Tourism in the Caribbean (July 22, 2025), https://www.caribjournal.com/2025/07/22/nature-positive-tourism-caribbean/; United Nations Development Programme, How to Accelerate Sustainable Transport in Latin America and the Caribbean (2025), https://climatepromise.undp.org/news-and-stories/how-accelerate-sustainable-transport-latin-america-and-caribbean.
[28] See Climate-Smart Agriculture – Caribbean Agriculture News, https://theagrifocus.com/climate-smart-agriculture/ (last visited Oct. 24, 2025).
[29] See Food & Agric. Org. of the U.N., The Sustainable Intensification of Caribbean Fisheries and Aquaculture, https://openknowledge.fao.org/server/api/core/bitstreams/6ab7698e-6fc2-478c-b046-a1d7076c1e07/content (last visited Oct. 24, 2025); See also, United Nations Environment Programme, Strengthening Protection for Caribbean Marine Protected Areas through SPAW, https://www.unep.org/cep/news/editorial/strengthening-protection-caribbean-marine-protected-areas-through-spaw (last visited Oct. 24, 2025).

measures require minimal 1.5 degrees overshoot and swiftest return onto a 1.5 aligned pathway to remain sustainable.

In addition, **finance and technology access are cross-cutting enablers that will determine the success or failure of the transition**. Caribbean nations require **equitable access to concessional finance, blended finance models, and direct community investment**. Collaboration with bilateral partners, multilateral development banks, and regional institutions as well as the local private sector must be strengthened to ensure sustained financial support.

Simultaneously, scaling up technical and vocational training is essential to build a skilled workforce for a low-carbon economy, that involves clean energy, sustainable agriculture and emerging green industries.[8] Without these actions, the transition risks deepening existing inequalities and leaving vulnerable communities behind.

Ultimately, **a just transition for Caribbean will be holistic, locally driven, and centred on community well-being.** While clean energy provides the initial momentum, true sustainable development will come from a broader transformation that includes resilient infrastructure, diversified economies and inclusive social policies. By focusing on practical, high-impact interventions, such as renewable energy deployment, climate-smart agriculture, sustainable tourism and equitable financing, the region can chart a path that is not only low carbon, but also equitable and economically empowering. By doing so, the Caribbean can secure a just transition that delivers long-term resilience and prosperity for all, if the global community manages to comply with the Paris Agreement and keep 1.5 degrees overshoot to a minimum.

Structural challenges to achieving a just transition in SIDS

Understanding barriers

Despite the opportunities, the road to a just transition in the Caribbean is steep. Financing constraints, outdated infrastructure, limited local capacity and recurring climate disasters threaten to derail progress. Understanding these barriers is essential to designing solutions that are realistic and sustainable.

While the above section lays out the key sectors warranting attention in SIDS in the context of a planned transition, this section highlights important considerations that must be addressed in order to implement a just transition in Caribbean SIDS.

Achieving a just transition for Caribbean SIDS is particularly complex due to structural limitations in financing, infrastructure, governance, and labour market dynamics.[20] While the region is ideally positioned to harness renewable energy sources, many Caribbean nations remain reliant on fossil fuels to meet energy needs.[22] As discussed earlier in this report, this dependence on imported fossil fuels exposes economies to price volatility and constrains the fiscal space needed to invest in cleaner alternatives.

Starting with finance, the financial demands of the energy transition are substantial. **CARICOM countries will need to invest an estimated US$11 billion over the next 10 years for sustainable energy transformation**.[22] However, current policy frameworks often fall short in facilitating renewable energy deployment at scale.[30] In many cases, these policies are misaligned with implementation capacity, heavily reliant on international financing and lack targeted measures to incentivise private sector participation.[15] Furthermore, **the absence of dedicated instruments for access to finance, risk mitigation and project bankability continues to slow renewable energy uptake.**[15]

Moreover, though climate finance is widely discussed, it remains difficult to access in practice. **Caribbean countries face high borrowing costs, complex**

[30] Climate Analytics (2025). Re-energise Caribbean, Regional energy landscape – context and background.

application procedures for international funds, and inadequate risk mitigation mechanisms that deter private sector investment in clean energy solutions.[15] While renewable energy and energy efficiency are core pillars of many Caribbean NDCs, there is often a disconnect between the location of available climate funds and the priority areas identified.[15] Studies show that *investment pathways in NDC-aligned scenarios differ markedly from those under current policy trajectories, raising critical questions about strategic alignment and funding effectiveness*.[15] Further, even though the long-term economic and environmental benefits of the energy transition are undeniable, the current policy frameworks in the Caribbean NDCs relative to renewable energy, energy efficiency, and infrastructure scale-up also have the potential to contribute to trade deficits and spiralling debt obligations.[17] **Without diversified funding sources and blended finance models, efforts to scale renewable energy remain constrained**.

Beyond funding gaps**, outdated energy infrastructure poses a major obstacle to transition.** Most systems are designed for centralised fossil fuel generation, making the shift to decentralised renewable systems challenging.[20] **Significant investment in modernising transmission and distribution networks, accounting for 35% of total investment in the Caribbean, is crucial to support integration of renewable energy sources**.[31] In addition, investments are needed across key end-use sectors, including transport, buildings and industry, to enable widespread energy efficiency and emissions reductions.

Technological dependence further complicates the landscape**. Most Caribbean countries import solar panels, wind turbines and other critical components from abroad, often through foreign-owned project developers.**[21] **This reliance increases costs, exposes countries to global supply chain risks, and limits domestic value creation**.[21] Simultaneously, grid modernisation and energy storage solutions are necessary to support renewables, yet technical capacity and investment in these technologies remain limited.

In addition, **regulatory and institutional fragmentation undermines progress**. The lack of harmonised energy policies, legal frameworks and regional coordination mechanisms weakens investor confidence and stifles cross-border collaboration.[32] Without clear, coherent and enforceable policies at both the

[31] Int'l Energy Agency, World Energy Investment 2024: Latin America and the Caribbean, IEA (May 2024), https://www.iea.org/reports/world-energy-investment-2024/latin-america-and-the-caribbean.
[32] Caribbean Development Bank, The Minimum Regulatory Function for the Electricity Sector in Caribbean Countries, CDB (2024), https://www.caribank.org/publications-and-

national and regional levels, it becomes difficult to attract long-term investment or scale shared solutions.

Labour market constraints also pose significant challenges. **Caribbean nations experience high levels of informal labour and underemployment, making it difficult to integrate workers into new green industries without targeted skill-building programs**.[33] Vocational training programs, job placement mechanisms, land upskilling initiatives remain limited in scope and reach. As a result, there is a real risk that local workers may be excluded from emerging economic opportunities in renewable energy, green infrastructure and climate adaptation.

Public awareness and community engagement also remain insufficient. Many communities lack access to reliable information about the benefits of clean energy, the mechanics of financing tools and the long-term savings associated with energy efficiency. This information gap can foster scepticism and slow adoption. Public buy-in is essential to ensure that the transition is both technically successful and socially inclusive

Finally, climate vulnerability adds another layer of complexity. Frequent hurricanes, flooding, and sea-level rise threaten critical infrastructure and disrupt energy supply chains.[34] The high cost of rebuilding after disasters can divert resources away from long-term energy investments, making it difficult for governments to prioritise transition planning.[35] **A just transition for Caribbean SIDS must therefore integrate resilience-based planning, focusing on systems that can withstand environmental shocks and deliver even in times of crisis.**

Overcoming these challenges requires a coordinated, multi-level response. **Caribbean nations must prioritise policy coherence, climate finance alignment, and regional integration, while also investing in workforce development, public awareness and local capacity building**. Crucially, energy transition planning must

resources/resource-library/technical-notes/minimum-regulatory-function-electricity-sector-caribbean-countries.

[33] International Labour Organisation - 2024 Labour Overview Latin America and the Caribbean Executive Summary. Available here: https://www.ilo.org/sites/default/files/2025-02/PL%202024_english_ExecutiveSummary.pdf

[34] Atlantic Council, A Roadmap for the Caribbean's Energy Transition (Sept. 26, 2023), https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/a-roadmap-for-the-caribbeans-energy-transition/

[35] See World Bank & Global Facility for Disaster Reduction and Recovery (GFDRR), 360° Resilience: A Guide to Prepare the Caribbean for a New Generation of Shocks 106 (2021), https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099630010072232728/idu041b6b7f70c3c04f5b20a0b508b4c8c5f8c9b.

be embedded within broader development strategies, so that clean energy, resilience and economic inclusion advance in tandem. Only then can the just transition become a reality for Caribbean SIDS, delivering emissions reductions and sustainable, equitable prosperity for their people.

Enabling a just transition: From barriers to strategic action

Overcoming the previously discussed barriers facing Caribbean SIDS requires investment, institutional reform and the strategic adaptation of global best practices coupled with homegrown solutions. **To accelerate implementation, Caribbean SIDS can draw on lessons from international experience, while deepening regional collaboration and tailoring solutions to their unique development contexts**. As such, this section identifies some critical enablers of a just transition that can inform a more inclusive and sustainable transition pathway for the region. These were developed from research on just transition approaches as well as the case studies and principles presented in the following sections.

1. Expanding Access to Climate Finance – Financial constraints remain a major barrier to implementing a just transition.	
Domestic action	• Leverage blended finance models, combining public, private, and concessional funding to support clean energy projects. • Develop innovative financing mechanisms, such as debt-for-climate swaps, green bonds, and public-private partnerships.
International advocacy through the JTWP and other avenues	• Advocate for increased adaptation finance, ensuring that international climate funds prioritise resilience-building in vulnerable regions. • Advocate for enhanced access to international funds, streamlining application

	processes for climate finance and reducing bureaucratic hurdles
Cross-cutting approaches (International and domestic)	• Remove barriers to technology imports, ensuring easier access to renewable energy components and grid modernisation solutions. • Strengthen financial incentives for private sector engagement in sustainability initiatives.
2. Strengthen Regional Collaboration: Given the interconnected nature of Caribbean economies and ecosystems, regional cooperation is crucial.	
Domestic action	Coordinate through CARICOM and regional bodies, ensuring alignment in just transition policies and financing strategies.
	Facilitate knowledge exchange, enabling Caribbean nations to learn from successful transition models in other regions.
International advocacy through the JTWP and other avenues	Advocate for global climate justice, ensuring that internationally negotiated agreements/decisions reflect the unique needs of SIDS.
3. Refine NDC Policy Options to align with UNFCCC Frameworks: Ideally, policies and programs should be implemented in advance of, or at least alongside, phased-in GHG restrictions so that they may accrue near-term benefits sufficient to offset costs of these restrictions.[15]	
Domestic action	Update the NDC policy options for the just transition to align with financial investments is required.

	Align financial investments required to reduce dependence on imported fuel of a country.
	Forecast of the international trade development (import–export shares) of clean energy technologies is required.
	Scale up effective policy implementation for climate technologies required to better integrate across sectors, building on experiences and results from existing policies, processes and work - ultimately flowing into refined Caribbean NDCs.[36]?
4. Economic Diversification: A just transition must create decent work and sustainable livelihoods in emerging green sectors, while reducing dependence on vulnerable industries.	
Domestic action	Invest in climate-smart agriculture, including drought-resistant crops and regenerative farming techniques. Enhance sustainable tourism, integrating eco-tourism, conservation-based tourism models, and renewable-energy-powered resorts. Support fisheries and blue economy investments, promoting marine conservation, aquaculture, and sustainable seafood practices.
International advocacy through the JTWP and other avenues	Advocate for technology transfer for expanding technical and vocational training to equip workers with the skills needed for green industries.

[36] See for example: Irini Maltsoglou. Climate technologies for agrifood systems. Accessible here: https://www.wto.org/english/tratop_e/tessd_e/01_egs_presentation%20by_fao.pdf

5. Strengthening Policy Integration - A coherent policy framework is essential for embedding just transition principles into national and regional strategies.	
Domestic action	Align national policies with international frameworks such as the Paris Agreement and the Just Transition Work Programme (JTWP). Develop sector-specific transition plans, ensuring that energy, agriculture, tourism, and fisheries integrate sustainability and resilience measures. Enhance regulatory frameworks to incentivise renewable energy adoption, sustainable land use, and climate-smart infrastructure.
Cross-cutting approaches (international advocacy and domestic action)	Promote participatory governance, ensuring that workers, communities, and marginalised groups have a voice in shaping transition policies and are able to retain jobs and learn new skills consistent with the transition.
6. Invest in Workforce Development - A just transition must ensure that workers are equipped with the skills needed for emerging green industries.	
Domestic action	Expand vocational training programs focused on renewable energy, sustainable agriculture, and climate-resilient infrastructure. Create job placement initiatives, ensuring that workers displaced from traditional sectors can transition into new employment opportunities.
Cross-cutting approaches (International and domestic)	Strengthen educational partnerships, collaborating with universities and technical institutions to develop specialised curricula.

	Support entrepreneurship, fostering innovation in clean energy, eco-tourism, and sustainable fisheries. Expand STEM education and lifelong learning programs to prepare the next generation for sustainability-driven industries.
7. Encourage Community-Led Solutions - Local communities must be at the forefront of transition efforts to ensure that solutions are culturally and economically relevant.	
Domestic action	Empower local governance structures, enabling municipalities and grassroots organisations to hold leadership roles in adaptation efforts.
Cross-cutting approaches (International and domestic)	Scale decentralised renewable energy projects, such as microgrids and community solar initiatives. Enhance public awareness campaigns, educating communities on the benefits of sustainable practices and climate resilience. Support indigenous and traditional knowledge systems, integrating local expertise into climate adaptation strategies.
8. Strengthen Renewable Energy Adoption and Infrastructure: Transitioning to renewable energy is essential for reducing fossil fuel dependence and enhancing economic stability.	
Domestic action	Scale up solar and wind energy, leveraging abundant natural resources and decreasing technology costs. Expand battery energy storage systems to ensure grid stability and reliability. Invest in microgrids and decentralised energy solutions to improve energy access and resilience.

	Modernise infrastructure for optimisation of energy systems in order to facilitate the shift to renewables, including grid upgrades and energy-efficient transmission systems. Advance research in the clean energy field to have a strong technology focus (e.g., technology research, application of technologies, technology roadmap and resilient infrastructure build-up) with the analysis of economic impacts concentrating on the necessary investments for clean energy infrastructure build-up.
9. Climate Resilience and Disaster Preparedness (Sendai Framework and SDG alignment): The Caribbean is highly vulnerable to hurricanes, flooding, and rising sea levels, which threaten infrastructure and energy systems.	
Domestic action	Invest in early warning systems and climate-resilient infrastructure, such as flood-resistant housing and sustainable water management systems.
Cross-cutting (International advocacy and domestic action)	Support nature-based solutions, including mangrove restoration and coastal ecosystem protection. Expand insurance and risk mitigation measures to safeguard communities and economic assets.

Case studies

Learning by doing

Caribbean nations are not starting from scratch. Around the world and within the region, governments are experimenting with policies and programs that balance climate action with social inclusion. These case studies offer valuable lessons, highlighting both what works and what pitfalls to avoid.

Global case studies

Around the world, countries are developing integrated policy frameworks, mobilising innovative climate finance and investing in workforce and community-led initiatives to advance a just transition. Some Caribbean nations have already taken important steps in this direction, ranging from expanding technical training to piloting community-based renewable energy projects, but progress remains uneven.

This is evidenced in the below overview of the experiences of the Philippines, Indonesia and South Africa. These countries provide practical examples of how governments are embedding just transition principles into national policies, institutional frameworks and sectoral strategies. These case studies offer important lessons on balancing decarbonisation goals with labour protections, social inclusion and financial sustainability, challenges that are especially relevant for SIDS.

1. **The Philippines**

The Department of Labor and Employment (DOLE) in the Philippines has actively integrated just transition principles into national labour policies, ensuring that the shift toward a low-carbon economy is equitable and inclusive. Recognizing the potential disruptions caused by decarbonisation, DOLE has focused on worker protections, job retraining, and social inclusion to mitigate negative impacts while fostering sustainable employment opportunities.

Policy Framework and Institutional Commitment

DOLE's just transition efforts align with global frameworks, including the International Labour Organization (ILO) Just Transition Guidelines and the United Nations Framework Convention on Climate Change (UNFCCC) Just Transition Work Programme. The agency has committed to:

- Developing a national just transition framework that integrates labour protections into climate policies.
- Ensuring decent work opportunities in emerging green industries.
- Facilitating social dialogue between government agencies, businesses, and labour unions to shape equitable transition strategies.

Key Initiatives and Programs

i. Green Jobs Act (Republic Act 10771)

One of the Philippines' landmark policies, the Green Jobs Act, promotes employment in environmentally sustainable industries. This law incentivises businesses to create green jobs, ensuring that workers are equipped with the necessary skills to participate in the renewable energy, sustainable agriculture, and climate adaptation sectors.

ii. Workforce Development and Reskilling Programs

DOLE has launched vocational training initiatives to prepare workers for employment in clean energy and climate-resilient industries. These programs focus on:

- Retraining workers displaced from fossil fuel-dependent sectors.
- Expanding technical education in renewable energy technologies.
- Supporting entrepreneurship in sustainable business models.

iii. Just Transition in the Blue Economy

A recent study by DOLE examined just transition pathways in the Philippine blue economy, particularly in coastal tourism and accommodations. The research highlighted:

- Decarbonisation strategies in coastal businesses, ensuring environmental sustainability.
- Green skills development for workers in tourism-related industries.
- Stakeholder collaboration between government institutions, businesses, and local communities.

Despite progress, DOLE faces several challenges in implementing just transition policies:

- Inconsistencies in government regulations, leading to fragmented policy execution.
- High costs of adopting green practices, limiting participation from small businesses.
- Limited access to green skills training, particularly for informal workers.
- Need for stronger social protections, ensuring fair wages and workplace safety during economic shifts.

2. Indonesia

Indonesia, as the world's largest coal exporter and a country heavily reliant on fossil fuels, faces a complex challenge in transitioning to a low-carbon economy while ensuring economic stability and social equity. Recognizing the need for a just transition, Indonesia has integrated just transition principles into several national policies and frameworks, including its:

- Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR 2050): Highlights the importance of decent work, gender equity, intergenerational equity, and social protections in the transition process.[37]
- Low Carbon Development Initiative (LCDI): Explicitly references just transition principles, ensuring that no one is left behind in the shift to a sustainable economy.[38]
- Nationally Determined Contribution (NDC) Update (2021): Identifies just transition as a key objective of mitigation and adaptation efforts, emphasizing worker protections and social inclusion.[39]

[37] Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR 2050) Republic of Indonesia, Long-Term Strategy for Low Carbon and Climate Resilience 2050, UNFCCC (2021), https://unfccc.int/documents/299279.
[38] Low Carbon Development Initiative (LCDI) Republic of Indonesia, A Green Economy for a Net-Zero Future: How Indonesia Can Build Back Better After COVID-19 with the Low Carbon Development Initiative, Ministry of National Development Planning/Bappenas (2021), https://lcdi-indonesia.id/wp-content/uploads/2021/10/Exsum-GE-Report-Lowres-29-Sept.pdf.
[39] Republic of Indonesia, Enhanced Nationally Determined Contribution, UNFCCC (Sept. 23, 2022), https://unfccc.int/sites/default/files/NDC/2022-09/23.09.2022_Enhanced%20NDC%20Indonesia.pdf

- Silesia Declaration on Just Transition (2018): Indonesia is a signatory, committing to creating decent jobs and ensuring social protections for workers affected by the transition.[40]

Just Energy Transition Partnership (JETP)

Indonesia's JETP, launched at the G20 Summit in 2022, is a $20 billion initiative supported by an International Partners Group (IPG) led by the United States and Japan. The Comprehensive Investment and Policy Plan (CIPP) under JETP serves as a roadmap for Indonesia's energy transition, outlining:

- Emission reduction targets: Capping power sector emissions at 290 million tons CO_2eq by 2030.
- Renewable energy expansion: Increasing renewable energy generation to 44% by 2030.
- Coal phase-out strategy: Managed reduction of coal-fired power plants while ensuring economic stability for affected workers.
- Financial mechanisms: Mobilizing $20 billion in funding through grants, concessional loans, and private investments.

A few of the challenges that Indonesia faces include:

- Continued coal expansion: The latest power supply plan (2025–2034) includes 6 GW of new coal-fired capacity, raising concerns about meeting coal phase-out targets.[41]
- Social protections for informal workers: Indonesia's waste sector transition highlights the need for community-led waste management strategies to support 600,000 waste pickers affected by landfill closures.
- Financing gaps: While JETP mobilises $20 billion, experts argue that additional funding is needed to fully implement renewable energy projects and workforce retraining programs. [42]

[40] Silesia Declaration on Just Transition (2018) Conference of the Parties to the UNFCCC, Silesia Declaration on Solidarity and Just Transition, Council of the European Union (2018), https://data.consilium.europa.eu/doc/document/ST-14545-2018-REV-1/en/pdf.
[41] Indonesia's Latest Green Energy Plan Still Makes Room for Coal," The Business Times (June 10, 2024), https://www.businesstimes.com.sg/international/asean/indonesias-latest-green-energy-plan-still-makes-room-coal.
[42] Annika Seiler, Hannah Brown & Samuel Matthews, Just Energy Transition Partnerships: Early Successes and Challenges in Indonesia and South Africa, Ctr. for Glob. Dev. (2023), https://www.cgdev.org/publication/just-energy-transition-partnerships-early-successes-and-challenges-indonesia-and-south.

3. South Africa

South Africa, one of the world's largest coal-dependent economies, faces a complex challenge in transitioning to a low-carbon economy while ensuring economic stability and social equity. Recognizing the need for a just transition, South Africa has developed a Just Transition Framework and launched the Just Energy Transition Partnership (JETP) to guide its shift toward renewable energy while protecting workers and communities affected by the transition.

South Africa's just transition approach in its national strategies:

- Just Transition Framework (2022): Defines key principles, policy areas, and governance mechanisms to ensure an equitable transition away from fossil fuels.
- Presidential Climate Commission (PCC): Established to oversee just transition efforts, ensuring stakeholder engagement and policy coherence.
- National Development Plan (NDP) 2030: Integrates just transition principles into South Africa's long-term economic and environmental strategies.
- Just Energy Transition Partnership (JETP): An $8.5 billion initiative supported by France, Germany, the U.K., the U.S., and the E.U., aimed at accelerating renewable energy deployment and coal phase-out.

Just Energy Transition Partnership

South Africa's JETP is a landmark initiative designed to:

- Accelerate coal phase-out while ensuring economic stability for affected workers.
- Expand renewable energy capacity, particularly solar and wind projects.
- Support innovation in electric vehicles and green hydrogen.
- Mobilise $8.5 billion in funding through grants, concessional loans, and private investments.

Challenges

Despite its just transition commitments, South Africa faces several challenges:

- Coal dependency: South Africa remains heavily reliant on coal, with 80% of its electricity generated from coal-fired power plants.
- Economic and workforce impacts: The transition risks job losses in coal-dependent regions, requiring strong workforce retraining programs.

- Financing gaps: While JETP mobilises $8.5 billion, experts argue that additional funding is needed to fully implement renewable energy projects and social protections.
- Community engagement: Ensuring inclusive decision-making remains a challenge, particularly for marginalised communities

The experiences of the Philippines, Indonesia and South Africa offer valuable insights into the practical implementation of just transition principles in diverse economic and social contexts. Across all three cases, strong policy frameworks, anchored in international commitments and supported by institutional mechanisms, have been critical in embedding just transition into national climate and development strategies.

The Philippines demonstrates how labour-centric policies, such as the Green Jobs Act and vocational reskilling, can foster inclusive employment in emerging green sectors, including the blue economy. Indonesia showcases how a just transition can be integrated into broader low-carbon development planning, supported by large-scale financing initiatives like JETPs, though challenges around coal dependency and social protections exist. South Africa's approach underscores the importance of high-level political commitment, coordinated governance through institutions like the Presidential Climate Commission, and targeted support for coal-dependent communities. However, in all three countries, gaps remain in community engagement, financing and social protections.

For Caribbean SIDS, these cases reinforce the need for nationally driven, context-specific strategies that prioritise policy coherence, strong social protections, community engagement and climate finance as core pillars of a just and equitable transition, as discussed throughout this document.

Regional case studies:

1. **Antigua and Barbuda**

National circumstances and overview[43]

The country's economy is heavily dependent on natural resources, low-lying coastal zones, and favourable climate conditions to support the tourism sector, which accounts for about 80% of output gross domestic product (GDP), about 70% of direct and indirect employment and 85% of foreign exchange earnings. Their National Framework considers the financial challenges as well as transitional risks expected during the implementation phase of a just transition, recognizing the need for gender responsive approaches, and a just transition of the workforce.

Key Just Transition initiatives and programs

The Government of Antigua and Barbuda's (GoAB's) Climate Change Transformational Programme will initially give priority to projects that build resilience in the building, infrastructure, energy (off –grid back-up energy), micro - finance and health sectors. Priority mitigation projects and programmes are related to grid resilience and stability, transportation, and waste to energy.

The projects are designed in line with the NDC's main thematic focus areas, inter alia:

- **Inclusive Renewable Energy Strategy**: transition from importing fossil fuels to local generation of renewable energy and energy storage, transportation, and back-up energy sectors,
- **Financial Strategy to Support Gender Responsive and Socially Inclusive Implementation of the NDC**: national climate resilience insurance scheme for vulnerable groups (including farmers, fisherfolk, and certain households)
- **Debt-for-climate swap**, and
- **Just transition of the workforce**.

[43] Antigua and Barbuda Updated Nationally Determined Contribution. Available here: https://unfccc.int/sites/default/files/NDC/2022-06/ATG%20-%20UNFCCC%20NDC%20-%202021-09-02%20-%20Final.pdf

Key pillars of Antigua and Barbuda's just transition advancement include:[44]

- Seek to drive the transformation of sectors and creation of jobs,
- Build the entrepreneurial capacity of women, youth, and micro, small and medium enterprises,
- Provide education, training, and certification programmes for the workforce in mitigation and adaptation technologies,
- Develop and integrate specialist programmes into existing educational institutions,
- Involve multi-stakeholder consultations and social dialogues,
- Promote economic diversification by providing new and innovative job opportunities,
- Encourage participation of both men and women in just transition initiatives, and
- Establish a Just Transition Framework for monitoring, and reporting on progress of the transition process.

Challenges:

- **Finance**: The greatest barrier is access to highly concessional finance. Antigua and Barbuda is classified as a high-income country and is no longer considered for concessional financing for its development agenda.
- **Subsidies**: High subsidies for financing of carbon intensive activities, the cost of adaptation is expected to continue to increase and even go beyond the ability of certain sectors to adapt.
- **Technology Access**: Antigua and Barbuda with such a small economy is not able to pay for the incremental cost of adaptation and mitigation while supporting the development agenda of the country due to the lack of access to technologies at the prices and the quality that most developed countries have access to.

2. **Trinidad and Tobago**

National circumstances and overview

Trinidad and Tobago is the most industrialised economy in the English-speaking Caribbean. It is one of the leading Caribbean producers of oil and gas, and its economy is mainly based upon these hydrocarbon resources. Trinidad and

[44] Climate Analytics Press Release. Caribbean climate experts: SIDS Must Embrace a Just Transition. Available here: https://ab.gov.ag/pdf/A%20&%20B_embraces_green_economy.pdf

Tobago also supplies manufactured goods, mainly food products and beverages, as well as cement, to the Caribbean region and ammonia to the European Union. Therefore, implementing the provisions of their Nationally Determined contributions and National Climate Change Policy is critical and necessary to ensure a sustainable development path that will redound to the benefit of society as a whole in the short, medium and long terms.

Key frameworks and policies

Trinidad and Tobago's climate policy framework embraces the nation's sustainable development plan – the National Development Plan (Vision 2030) as the country's principal strategic planning document which forms the basis of Trinidad and Tobago's NDC and NDC implementation plan.

Just Transition policies and programmes

- **The Sustainable Development Plan, Vision 2030**, acts as the country's principal strategic planning document and provides an overarching socio-economic development framework to 2030.
- **The 2018 National Environmental Policy** was the first document to provide an overarching framework for environmental management.
- **The National Climate Change Policy (NCCP)** established in 2011, defines the nation's objectives of reducing its GHG emissions, enhancing carbon sinks, and building resilience and capacity through energy-efficient technologies.
- **Trinidad and Tobago's Carbon Reduction Strategy (CRS) 2040** proposes specific actions to reduce GHG emissions, mainly in the transport, energy, and industrial sectors, which is aligned with Trinidad and Tobago's NDC contribution to the Paris Agreement.
- **The Draft Just Transition Policy**, which details key considerations for workforce transition, job creation, minimising social impacts and risks and improving participatory and inclusive governance.

Key aspects of the Draft Just Transition Policy include:[45]

- Creation of an institutional framework inclusive of all government ministries, starting with a continuous coordinating arrangement between

[45] Just Transition Draft Policy for an Equitable Low Carbon Future for Trinidad and Tobago. Available here: https://justtransitionforall.com/wp-content/uploads/2022/03/Trinidad-Tobago-Govt-Draft-Just-Transition-Policy.pdf

the Ministry of Planning and Development and the Ministry of Labour as one of the first coordination measures for policy implementation.
- Policy coherence across the economic, environmental, social, education/training, and labour portfolios need to provide an enabling environment.
- Active dialogue with stakeholders through incorporation of the Just Transition in the agenda of all relevant tripartite councils and boards, including the National Tripartite Advisory Council (NTAC) chaired by the Minister of Planning and Development, ILO 144 Tripartite Committee, the Minimum Wages Board, the Industrial Relations Advisory Council, and the National Productivity Council.
- Increasing societal awareness to improve public buy-in.
- Ensuring social protections for affected workers, as well as job creation in green industries.
- Promoting low-carbon innovative industries.

Challenges

Despite recording steady progress, Trinidad and Tobago's path towards meeting its emissions reductions targets is constrained by:

- **Legislative and Policy Frameworks** - Inadequate legislation and policy frameworks to create an enabling environment for facilitating energy efficiency and renewable energy.
- **Subsidies** - Subsidised electricity costs contribute to low adoption of energy efficient and renewable energy technologies.
- **Data gaps** - Insufficient system information to do comprehensive optimisation studies in the power generation and industrial sectors and lack of quality activity data for estimating greenhouse gas emissions.
- **Financial** - Capital cost and resource constraints for new projects and funding for capacity building and research.
- **Technology** - Highly competitive international markets make it difficult for companies to adopt best available technologies that do not improve their market position in addition to reducing GHG emissions.
- **Capacity-building needs** - Inadequate know-how and experience by decision-makers in public–private financing of urban development.

Conclusion

The Caribbean's just transition cannot be a carbon copy of global models. While international frameworks often centre mitigating job losses in fossil fuel industries, for SIDS, the challenge is broader. Building resilience, diversifying economies, and safeguarding livelihoods under intensifying impacts are also imperative.

A successful just transition in the Caribbean must rest on three pillars:

1. **Global Ambition** – major economies must urgently align with the Paris Agreement's temperature goal. Without deep global emissions cuts, SIDS' local efforts will be overwhelmed by climate shocks.
2. **Regional and national action** – Caribbean states must integrate just transition principles across energy, agriculture, tourism and fisheries, among others, ensuring policies are participatory, gender-responsive and locally driven.
3. **Enabling finance and capacity** – access to affordable climate finance, debt relief mechanisms, and technical capacity-building are indispensable to overcome structural vulnerabilities.

Ultimately, a Caribbean just transition must be development-focused, inclusive and resilient, ensuring alignment with global climate action in a manner that reduces inequalities, fosters sustainable livelihoods, and empowers communities. If adequately supported, the Caribbean will be better positioned to withstand climate risks and demonstrate leadership in co-creating innovative, equitable and resilient pathways to a sustainable future.

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