

Policy Brief

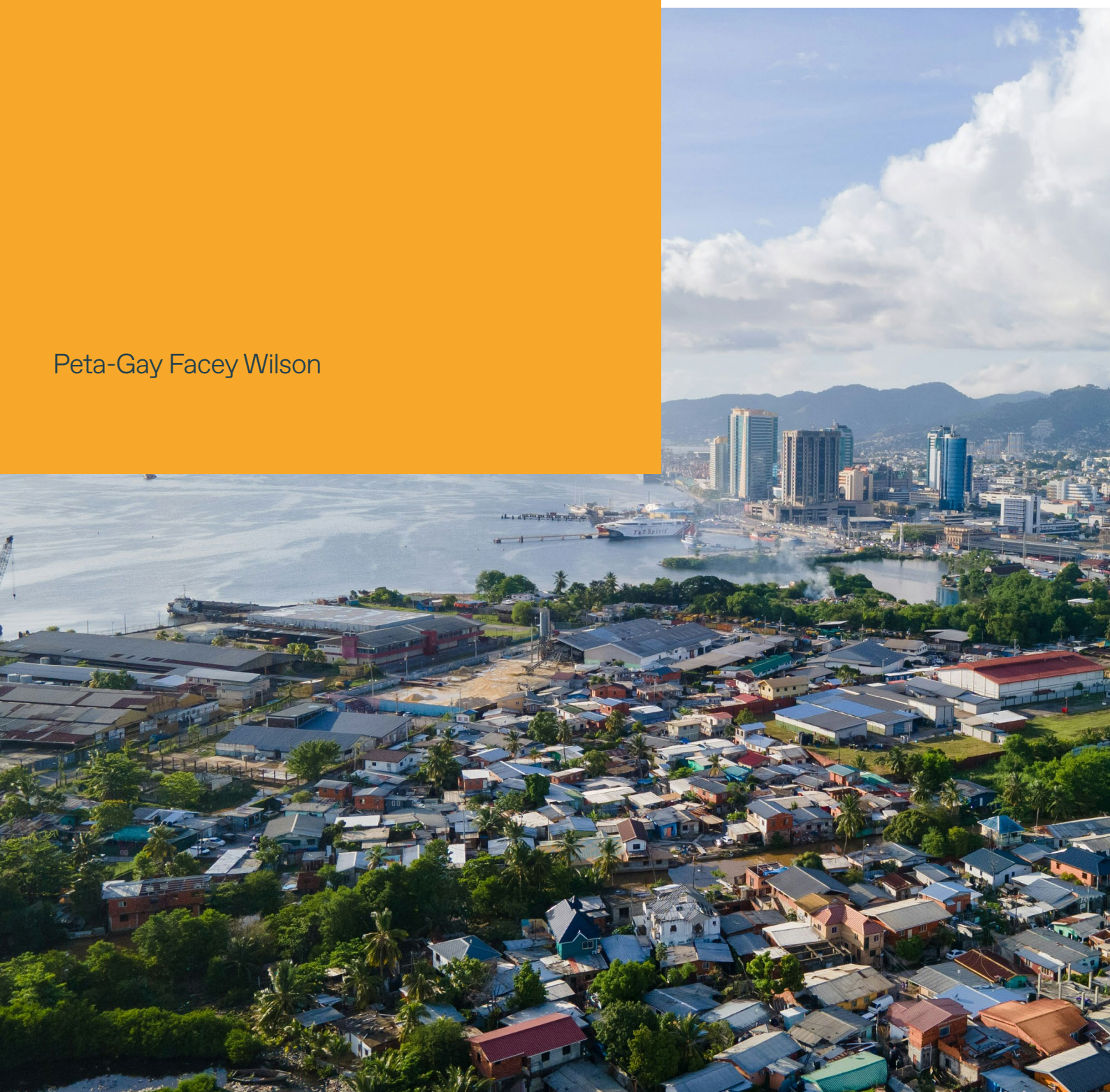
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SRC SHRIDATH  
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INTERNATIONAL TRADE LAW, POLICY AND SERVICES

# A Just Transition Framework for CARICOM Trade

Peta-Gay Facey Wilson



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## Authors

**Peta-Gay Facey Wilson** is Assistant Attorney-General in the International Affairs Division of the Attorney-General's Chambers of Jamaica.

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## Executive Summary

The Just Transition provides a framework for managing the shift to low-carbon, climate-resilient development in ways that protect livelihoods, uphold rights, and promote equity, particularly for those most exposed to climate and economic disruption. While global Just Transition debates have largely focused on fossil fuel phase-out in high-emitting economies, this framing does not reflect the realities of the Caribbean.

For the Caribbean Community (CARICOM), the transition challenge is structural rather than sector specific. CARICOM member states face acute climate vulnerability, heavy dependence on climate-sensitive industries, high reliance on imported fossil fuels, limited fiscal space, and deep exposure to global trade rules. Despite contributing minimally to global emissions, CARICOM economies are among the most open and trade-dependent in the world. As climate ambition increasingly shapes market access, through measures such as the European Union's Carbon Border Adjustment Mechanism, sustainability provisions in trade agreements, and evolving international standards, trade has become a central channel through which transition risks and opportunities will materialize.

This paper argues that CARICOM's Just Transition must be explicitly trade-aware, multi-sectoral, and equity-driven. Drawing on global Just Transition literature, national strategies, and sectoral analysis, it identifies six guiding principles relevant to the Caribbean context:

- Social justice & equity
- Effective governance & policy coherence
- Inclusive participation & stakeholder engagement
- Economic resilience & diversification
- Alignment with developmental, climate, and environmental goals
- Investment & financing for the green transition.

These principles are applied across key tradable sectors—including energy, tourism, agriculture, fisheries and marine industries, forestry, transport, waste, and the orange economy—to identify sectors at risk from climate-related trade pressures and sectors with growth potential in sustainable goods, services, and digital industries.

Based on this analysis, the paper advances seven priority policy actions to integrate Just Transition principles into CARICOM's trade agenda:

1. Institutionalize social justice and workforce protection through national Just Transition Planning Commissions, expanded reskilling and certification systems, strengthened social protection, and local ownership models.
2. Strengthen regional governance and policy coherence by establishing a CARICOM-level coordination mechanism to align trade, climate, industrial, labour, and education policies.
3. Embed inclusive participation and social dialogue across all stages of transition planning, with targeted support for MSMEs, workers, and vulnerable communities.



4. Use trade policy to drive diversification and resilience, leveraging trade agreements, economic partnership agreement implementation, CBAM engagement, and World Trade Organization processes to support sustainable industries while safeguarding development policy space.
5. Align trade and transition strategies with climate and development commitments, including nationally determined contributions, long-term strategies, and sustainable development goals.
6. Mobilize scaled and inclusive financing, combining concessional finance, blended instruments, and regional project bundling to support both infrastructure and social dimensions of the transition.
7. Build research-led monitoring and evaluation systems to track employment, social and economic impacts, competitiveness, and community resilience, enabling adaptive policy responses.

For CARICOM, the Just Transition is not a single-sector shift but a regional transformation strategy. Aligning trade policy with Just Transition principles offers a concrete way to manage climate and trade risks, support diversification, and strengthen the region's capacity to engage effectively in emerging climate-related trade processes.

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## Abbreviations

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CARICOM	Caribbean Community
CBAM	Carbon Border Adjustment Mechanism
CBDR	Common But Differentiated Responsibilities
COP	Conference of the Parties
CSME	CARICOM Single Market and Economy
EPA	Economic Partnership Agreement
EU	European Union
FOLU	Forestry and Other Land Uses
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Greenhouse Gas
ILO	International Labour Organization
IMO	International Maritime Organization
JTWP	Just Transition Work Programme
LEDs	Low-Emission Development Strategy
LT-LEDs	Long-Term Low-Emission Development Strategy
M&E	Monitoring and Evaluation
MSMEs	Micro, Small, and Medium-Sized Enterprises
NDC	Nationally Determined Contribution
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organization

# 1. Introduction

The Just Transition is a policy framework which seeks to guide the shift from high-emission to low-carbon, climate-resilient development in ways that safeguards livelihoods, protects rights, and promotes equity.<sup>1</sup> Unlike the green transition, which focuses primarily on technological and energy shifts, the Just Transition addresses the underlying questions of why and how such shifts should occur, with the goal of ensuring they are fair and inclusive,<sup>2</sup> particularly for those most affected by climate change and the transition itself.<sup>3</sup> At its core this means (1) equitably managing the distribution of costs and benefits of the transition and (2) embedding participatory processes that place dialogue and consultation at the centre of policymaking.<sup>4</sup>

Rooted in labour movements in the Global North and shaped by climate justice debates, the concept has evolved into a multidimensional approach encompassing economic, social, and environmental justice, and is now widely recognized as a necessary complement to sustainable development.<sup>5</sup> Despite its growing prominence, there is no single, universally accepted definition of the Just Transition.<sup>6</sup> This definitional fluidity reflects competing priorities among international organizations, labour unions, policymakers, environmental and human rights groups, but also presents an opportunity for regions like the Caribbean to shape the discourse around their own realities.

Additionally, global frameworks for the Just Transition have gained momentum, but they remain largely informed by the priorities and experiences of high-emitting, industrialized countries. As a result, they often focus on phasing out domestic fossil fuel production and managing labour market transitions in sectors like coal, oil, and gas. While important, these models do not fully capture the structural and socio-economic realities of the Caribbean, where fossil fuel production is primarily concentrated in two countries.

For Caribbean Community (CARICOM)<sup>7</sup> member states, the Just Transition imperative is shaped by a distinct set of structural vulnerabilities: acute exposure to climate change, dependence on climate-sensitive industries such as tourism, agriculture, and fisheries, high reliance on imported fossil fuels, and limited fiscal and technical capacity.<sup>8</sup> Recent discussions on the transition for the Global South often centre on the shift to renewable, low-carbon energy, which is expected to drive a surge in demand for minerals such as copper, lithium, and nickel.<sup>9</sup> For mineral-rich countries this presents economic opportunities, but for the Caribbean, which lacks such resources, the transition requires a more nuanced and distinctive approach. The regional challenge is therefore less about winding down fossil fuel industries and more about reducing

1. Presidential Climate Commission. (2022). *A Framework for a Just Transition in South Africa*. <https://pccommissionflow.imgix.net/uploads/documents/A-Just-Transition-Framework-for-South-Africa-with-dedication-FSP-002.pdf>
2. Anthony Stark, Fred Gale & Hannah Murphy-Gregory. (2023). Just Transitions' Meanings: A Systematic Review, *Society & Natural Resources*, 36:10, 1277–1297, DOI: 10.1080/08941920.2023.2207166.
3. Atteridge A, Srivastava A, et al. (2024). *Just Transitions Toolkit: A Policymaker's Guide to Inclusive Planning*. Climate Strategies. <https://climatestrategies.org/wp-content/uploads/2024/11/Just-Transitions-Toolkit-A-Policymakers-Guide-to-Inclusive-Planning-6.pdf>, 3.
4. Ibid.
5. McCauley, Darren. (2023). Just Transitions. 10.51952/9781529232233.ch015; Climate Strategies. (2024). *Just Transition Planning Masterclass Summary Report*. <https://climatestrategies.org/wp-content/uploads/2024/12/Just-Transition-Planning-Masterclass-Summary-Report.pdf>, 3.
6. Just Transition Initiative, *Just Transition Concepts and Relevance for Climate Action: A Preliminary Framework* (June 2020); Wang X., Lo K. (2021), "Just transition: A conceptual review", 82 *Energy Research & Social Science*, 2.
7. CARICOM countries are least developing countries: Antigua and Barbuda, Belize, Commonwealth of Dominica, Grenada, Republic of Haiti (provisional membership), Montserrat, Federation of St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines; middle-income countries: Commonwealth of the Bahamas, Barbados, Co-operative Republic of Guyana, Jamaica, Republic of Suriname, Republic of Trinidad and Tobago. The Bahamas is not a member of the CARICOM Single Market and Economy (CSME) but participates in the other pillars of CARICOM. Montserrat, a non-independent overseas territory, has only partially accepted the Revised Treaty of Chaguaramas to maintain its prior common market status, which also excludes participation in at least two other pillars of foreign policy coordination and security. Haiti, while ratifying the revised treaty, has not yet completed the transition process of joining the CSME. It also does not participate in the pillar of security.
8. Müllerová, Hana et al. 'Building the Concept of Just Transition in Law: Reflections on Its Conceptual Framing, Structure and Content'. 1 Jan. 2023: 275 – 288, 275, 275.
9. See Autor, D.H., Dorn, D., & Hanson, G.H. (2011). *The China syndrome: Local labor market effects of import competition in the United States*, MIT Working Paper (Cambridge, MA, Massachusetts Institute of Technology); Georgios Altintzis and Esther Busser, 'The Lessons from Trade Agreements for Just Transition Policies' (2014) 6(2) *International Journal of Labour Research* 269–94, 272.

energy dependency, enhancing resilience to climate shocks, and ensuring that the benefits of the transition are shared equitably across society.

In this context, trade becomes a decisive arena of impact. CARICOM economies rank among the most open and trade-dependent in the world, with member states relying heavily on the multilateral trading system to secure market access and offset their structural vulnerabilities.<sup>10</sup>

At the same time, trade is also the arena where global Just Transition frameworks increasingly intersect with binding measures. The European Union (EU), for example, has embedded climate ambition into instruments such as the Carbon Border Adjustment Mechanism (CBAM) and sustainability chapters in trade agreements, effectively linking decarbonisation with market access. Such measures highlight that the rules and practices of trade are no longer peripheral but central to how the Just Transition will unfold globally. For CARICOM, this raises a pressing question: how can its trade agenda support a Just Transition that strengthens resilience and equity, rather than deepening structural disadvantages in the global economy?

Against this backdrop, this paper proposes a framework for integrating Just Transition principles into CARICOM's trade policy. Trade provides the mechanism for economic diversification, investment, and participation in new value chains, all of which are central to ensuring a Just Transition. The framework is built around six guiding elements, pulled from the literature and existing just transition frameworks and strategies, to help CARICOM assess how its tradable sectors can (i) seize opportunities in sustainable sectors, (ii) mitigate the risks of external climate-related trade measures, and (iii) spread the gains of diversification across all member states and social groups.

The paper is structured as follows. Section 2 traces the evolution of the Just Transition concept, emphasizing its flexibility and the absence of a fixed definition. Section 3 examines the interface between the international trade agenda and the Just Transition, identifying areas of synergy and tension. Section 4 distils the core principles of the Just Transition into a proposed unifying framework (see Box 1).

Section 5 highlights the fragmented and uneven approaches to the Just Transition across CARICOM, underscoring the need for a coherent regional framework. Section 6 applies the proposed framework to CARICOM's trade agenda, identifying both at-risk and growth sectors and exploring how Just Transition principles can mitigate risks and unlock opportunities. Section 7 concludes with key takeaways.

### Box 1. Six Key Principles of the Just Transition Framework

1. Social Justice & Equity
2. Effective Governance & Policy Coherence
3. Inclusive Participation & Stakeholder Engagement
4. Economic Resilience & Diversification
5. Alignment with Developmental, Climate, and Environmental Goals
6. Investment & Financing for the Green Transition

Source: Author.

10. Remy, J.Y. & Facey Wilson, P.G. (2024). *A sustainable and inclusive trade agenda for CARICOM*. Forum on Trade, Environment, & the SDGs (TESS) and Shridath Ramphal Centre for International Trade Law, Policy and Services (SRC), p. 30; World Bank and Organization of American States, *Caribbean: Accelerating Trade Integration: Policy Options for Sustained Growth, Job Creation, and Poverty Reduction* (Report No XXX, Poverty Reduction and Economic Management Sector Unit, Latin America and Caribbean Region, December 2008) [https://caricom.org/documents/9815-world\\_bankoas\\_caribbean\\_trade\\_report\\_-\\_december\\_2008.pdf](https://caricom.org/documents/9815-world_bankoas_caribbean_trade_report_-_december_2008.pdf) accessed 18 September 2025.



## 2. Evolution of Sustainability and Inclusiveness in International Law

### 2.1 Evolution of the Just Transition

The origins of the Just Transition can be traced back to the 1970s labour movement in the United States. Initially conceived to support workers exposed to hazardous conditions, the idea was developed most prominently by Tony Mazzacchi of the Oil, Chemical and Atomic Workers Union. By the 1980s, Mazzacchi proposed a “superfund for workers” to assist those affected by environmental regulations, fostering collaboration between labour and environmental justice groups, establishing a multi-stakeholder approach.<sup>11</sup> By the 1990s, the Just Transition gained traction among North American unions such as the United Steelworkers, establishing a multi-stakeholder approach that connected worker protection with environmental sustainability.<sup>12</sup>

From the outset, unions also highlighted the risks of trade liberalization, automation, and offshoring to manufacturing jobs and union membership, particularly under unregulated trade agreements. These concerns linked the Just Transition to questions of trade, labour rights, and environmental protection, underscoring its inherently cross-sectoral character.<sup>13</sup>

Although rooted in local and national justice struggles, the Just Transition has always resonated with broader debates on global climate justice and the principle of common but differentiated responsibilities (CBDR).<sup>14</sup> By the 2000s, it metamorphosed into a global concept within the labour movement and international policy circles,<sup>15</sup> with several international organizations seeing the Just Transition as a pathway to sustainable development.<sup>16</sup> Sustainable development is commonly defined as meeting the needs of the present without compromising the ability of future generations to meet their own, balancing economic, environmental, and social pillars.<sup>17</sup> Scholars argue that the Just Transition has provided the “connective tissue” between these pillars and between the Sustainable Development Goals.<sup>18</sup>

Instinctively, the Just Transition is closely tied to wider justice dimensions. Four justice dimensions have been identified in scholarly literature—distributional, procedural, restorative, and recognitional,<sup>19</sup> with distributional justice dominating international frameworks such as the International Labour Organization (ILO) and the United Nations Framework Convention on Climate Change (UNFCCC). While early literature focused on

11 Labor Network for Sustainability, *‘Just Transition’ – Just What Is It? An Analysis of Language, Strategies, and Projects* (Labor Network for Sustainability 2016).

12 Stevis D, *Just Transitions: Promise and Contestation* (Cambridge University Press 2023), 16.

13 Stevis D, *Just Transitions: Promise and Contestation* (Cambridge University Press 2023), 16; supra. Fn. 8.

14 UN, *‘Just transition: CDP input on the 2023 ECOSOC Theme (Accelerating the recovery from the coronavirus disease (COVID-19) and the full implementation of the 2030 Agenda for Sustainable Development at all levels)’* (Committee for Development Policy Excerpt 2023/1, UN Department of Economic and Social Affairs, 2023) <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-excerpt-2023-1.pdf> accessed 18 September 2025, p. 1, 3.

15 Climate Investment Funds, *Supporting a Just Transition in the Climate Investment Funds* (Climate Investment Funds 2020) [https://www.cif.org/sites/cif\\_enc/files/knowledge-documents/justtransition\\_final.pdf](https://www.cif.org/sites/cif_enc/files/knowledge-documents/justtransition_final.pdf) accessed 10 November 2024, 4.

16 McCauley, Darren. (2023). *Just Transitions*. 10.51952/9781529232233.ch015; Nick Robins, Vonda Brunsting, and David Wood, *Climate Change and the Just Transition: A Guide for Investor Action* (London: UNPRI, Grantham Institute, Initiative for Responsible Investment, November 2018), <https://www.unpri.org/download?ac=9452>.

17 Remy, J.Y. & Facey Wilson, P.G. (2024). *A sustainable and inclusive trade agenda for CARICOM*. Forum on Trade, Environment, & the SDGs (TESS) and Shridath Ramphal Centre for International Trade Law, Policy and Services (SRC), 8.

18 Nick Robins, Vonda Brunsting, and David Wood, *Climate Change and the Just Transition: A Guide for Investor Action* (London: UNPRI, Grantham Institute, Initiative for Responsible Investment, November 2018), <https://www.unpri.org/download?ac=9452>; See also Climate Investment Funds, *‘Just Transition’* (2020) [https://www.cif.org/sites/cif\\_enc/files/knowledge-documents/justtransition\\_final.pdf](https://www.cif.org/sites/cif_enc/files/knowledge-documents/justtransition_final.pdf) accessed 9 November 2024.

19 Just Transition Initiative, *Just Transition Concepts and Relevance for Climate Action: A Preliminary Framework* (June 2020) [https://www.cif.org/sites/cif\\_enc/files/knowledge-documents/justtransition\\_final.pdf](https://www.cif.org/sites/cif_enc/files/knowledge-documents/justtransition_final.pdf); Darren McCauley and Raphael Heffron, *‘Just Transition: Integrating Climate, Energy and Environmental Justice’* (2018) 119 *Energy Policy* 1 <https://doi.org/10.1016/j.enpol.2018.04.014>; Winkler, Harald. 2020. “Towards a Theory of Just Transition: A Neo-Gramscian Understanding of how to Shift Development Pathways to Zero Poverty and Zero Carbon,” *Energy Research & Social Science*, 70. Available online at <https://doi.org/10.1016/j.erss.2020.101789>.

energy and resource extraction transitions, climate concerns have increasingly shaped the discourse,<sup>20</sup> with implications for both developed and developing countries.

## 2.2 Just Transition Discussions in Climate Change Negotiations

Within the UNFCCC, the Just Transition has moved from the margins to the mainstream.<sup>21</sup> Introduced in the Cancún Agreements (COP 16,<sup>22</sup> 2010) and reinforced through work programmes at COP 17 and COP 18.<sup>23</sup> The concept was formally acknowledged in the Paris Agreement preamble as “*taking into account the imperatives of the just transition of the workforce and **the creation of decent work and quality jobs in accordance with nationally defined development priorities.*** (emphasis added)” Although not operative text and framed primarily in labour terms, this recognition marked a turning point in embedding Just Transition within climate governance. Subsequent negotiations, particularly the Silesia Declaration at COP 24 and ongoing work under the Katowice Committee of Experts, have progressively broadened the concept to encompass sustainable development, diversification, and equity, thereby shaping its evolution beyond its initial workforce focus.

More recent Conferences of the Parties have deepened this trajectory. COP 27 launched a dedicated Just Transition Work Programme (JTWP), and COP 28 formalized it, focusing on pathways to achieve the goals of the Paris Agreement set out in Article 2(1), within the context of Article 2(2). Furthermore, paragraph 28 of the Global Stocktake decision advanced commitments such as tripling global renewable energy capacity by 2030, promoting equitable mineral supply chains, and launching the Gender-Responsive Just Transition and Climate Action Partnership.<sup>24</sup>

These developments illustrate both the institutionalization of the Just Transition within climate negotiations and its limitations. For small island developing states (SIDS) like those in CARICOM, the discourse remains dominated by Global North priorities, managing fossil fuel phase-outs and mineral supply chains.

Against this backdrop, the UNFCCC’s *Compilation and Synthesis Report on Guidelines and Policy Frameworks for Just Transition* (2025) provides insight into how the global community is seeking to translate principle into practice.<sup>25</sup> The report distils lessons from different contexts, identifying priority actions such as conducting ex ante impact assessments (to anticipate job losses, stranded assets, and gendered impacts); ensuring continuous stakeholder engagement from design to monitoring; enacting legal and policy frameworks that provide certainty and accountability; and embedding social protection and safety nets for affected groups. It also underscores the importance of workforce adaptation through retraining and reskilling programmes, economic diversification strategies that promote new green and blue industries, and sustainable financing mechanisms such as sovereign green bonds and blended finance. Finally, it highlights the role of dedicated coordination bodies (such as just transition authorities or councils) and public-private partnerships to crowd in investment, align industry action, and strengthen institutional capacity.

<sup>20</sup>

<sup>21</sup> See UNFCCC ‘Draft Protocol to the Convention Prepared by the Government of Costa Rica to be Adopted at the Fifteenth Session of the Conference of the Parties’ (8 June 2009) UN Doc FCCC/CP/2009/6, 5; See also Vilja Johansson, ‘Just Transition as an Evolving Concept in International Climate Law’ (2023) 35(2) *Journal of Environmental Law* 229, <https://doi.org/10.1093/jel/eqad017>, 232.

<sup>22</sup> UNFCCC ‘Decision 1/CP.16, The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Longterm Cooperative Action under the Convention’ (15 March 2011) UN Doc FCCC/CP/2010/7/Add.1 section I. A shared vision for long-term cooperative action.

<sup>23</sup> See UNFCCC ‘Decision 2/CP.17, Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention’ (15 March 2012) UN Doc FCCC/CP/2011/9/Add.1 paras 87–89; UNFCCC ‘Decision 1/ CP.18, Agreed outcome pursuant to the Bali Action Plan’ (28 February 2013) UN Doc FCCC/CP/2012/8/Add.1 section E. Economic and social consequences of response measures, recital 4.

<sup>24</sup> CGIAR, ‘Just Transition - COP29 Negotiation Updates’ (11 November 2024) <https://www.cgiar.org/news-events/news/557601-autosave-v1/> accessed 4 February 2025.

<sup>25</sup> UNFCCC. (2025). *Guidelines and policy frameworks for just transition of the workforce and the creation of decent work and quality jobs*. Katowice Committee of Experts on Impact of Implementation of Response Measures (KCI). <https://unfccc.int/sites/default/files/resource/JT%2520Compilation%2520Guidelines.pdf>.

COP30 marked an important evolution in the global Just Transition agenda by moving it beyond aspirational language toward institutionalisation, while explicitly acknowledging its interaction with trade. COP30's Belém Political Package explicitly referenced “addressing concerns with climate change-related trade-restrictive unilateral measures,”<sup>26</sup> reflecting how border carbon measures and other climate-linked import rules were increasingly framed (by many developing countries) as equity issues that can shift transition costs onto poorer, trade-dependent economies.<sup>27</sup>

The adoption of the Belém Political Package also included the agreement to establish a Just Transition Mechanism under the UNFCCC, intended to support equitable, inclusive transition pathways through technical assistance, capacity building, and international cooperation.<sup>28</sup>

## 2.3 The International Labour Organization and the Just Transition

The ILO's work on the Just Transition, particularly the *Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All* (“ILO Guidelines”) adopted in 2015,<sup>29</sup> serve as an important building block for the current applications of the Just Transition. These guidelines offer practical direction on critical areas such as social dialogue, social protection, and labour market policies based on tripartite dialogue between unions, employer organizations, and governments.<sup>30</sup>

The ILO Guidelines define the Just Transition as a well-managed process towards environmentally sustainable economies and societies that contributes to the goals of decent work for all, social inclusion, and the eradication of poverty.<sup>31</sup> The ILO Guidelines position the Just Transition as a flexible and adaptable framework rather than a fixed agenda, emphasizing its role as a critical pathway to achieving sustainable development,<sup>32</sup> by integrating economic, social, and environmental dimensions in a balanced and inclusive manner.<sup>33</sup>

## 2.4 Human Rights Organizations and Advocacy Groups

Human rights organizations and advocacy groups have significantly broadened the Just Transition framework. Bodies such as the Institute for Human Rights and Business and Amnesty International have integrated recognition and compensation justice, while women's rights advocates have highlighted the need to transform gendered divisions of labour, particularly by transforming the unequal distribution of responsibilities related to reproductive work.<sup>34</sup> Human rights advocacy groups has also incorporated racial and indigenous justice, food security, and cultural preservation into the discourse,<sup>35</sup> stressing robust governance and accountability mechanisms.<sup>36</sup>

26 See generally United Nations Framework Convention on Climate Change (UNFCCC), ‘Belém Political Package’ <https://unfccc.int/cop30/belem-political-package/> accessed 3 January 2026.

27 Climate Action Network International, ‘COP30 Midway Media Brief’ (16 November 2025) <https://climatenetwork.org/2025/11/16/cop30-midway-media-brief/> accessed 23 December 2025.

28 International Institute for Sustainable Development (IISD), ‘COP 30 outcome: what it means and what's next’ <https://www.iisd.org/articles/insight/cop-30-outcome-what-it-means-and-whats-next/> accessed 23 December 2025.

29 ILO. (2015). *Guidelines for a just transition towards environmentally sustainable economies and societies for all*. <https://www.ilo.org/publications/guidelines-just-transition-towards-environmentally-sustainable-economies>

30 Climate Investment Funds, *Supporting a Just Transition in the Climate Investment Funds* (Climate Investment Funds 2020) [https://www.cif.org/sites/cif\\_enc/files/knowledge-documents/justtransition\\_final.pdf](https://www.cif.org/sites/cif_enc/files/knowledge-documents/justtransition_final.pdf) accessed 10 November 2024, 3.

31 *Ibid.*

32 Green F., Gambhir A. (2020), “Transitional assistance policies for just, equitable and smooth low-carbon transitions: who, what and how?”, 20 Climate Policy (8) at 902; See also Müllerová, Hana et al. ‘Building the Concept of Just Transition in Law: Reflections on Its Conceptual Framing, Structure and Content’. 1 Jan. 2023 : 275 – 288, 275.

33 See for example page 4 paragraph 6, page 9, paragraph 17 of the ILO Guidelines.

34 Acha, M. R. (2016). Gender Equality and Just Transition. Women's Environment and Development Organization (WEDO), New York, NY. <http://wedo.org/wp-content/uploads/2016/08/gitransition.pdf>; Women's Rights Caucus (2017). Just and Equitable Transitions in the Context of Climate Change. Submission to the United Nations Commission on the Status of Women, CSW 61. <http://apwld.org/wp-content/uploads/2017/04/Just-Transitions-WRCCSW61.pdf>; Piggot, G., Boyland, M., Down, A. and Torre, A.R. (2019). Realizing a just and equitable transition away from fossil fuels. Discussion brief. Stockholm Environment Institute.

35 Climate Justice Alliance, *Just Transition Principles* (2019) [https://climatejusticealliance.org/wp-content/uploads/2019/11/CJA\\_JustTransition\\_highres.pdf](https://climatejusticealliance.org/wp-content/uploads/2019/11/CJA_JustTransition_highres.pdf) accessed 30 January 2025, 2.

36 Amnesty International, *Just Transition and Human Rights: Submission to the Office of the High Commissioner for Human Rights for the Secretary-General's Synthesis Report* (Amnesty International, 2020).

### 3. International Trade Agenda and the Just Transition

Notably, an important component of the Just Transition, as reflected in the literature, is the prioritization of economic diversification.<sup>37</sup> This is where a trade perspective becomes indispensable. Trade not only facilitates access to new markets, technologies, and investment flows but also creates pathways for countries and communities to shift into emerging sectors that can sustain livelihoods in a low-carbon future. Applying a trade lens to the Just Transition therefore adds critical value. Specifically, it highlights the mechanisms through which diversification can be operationalized, identifies opportunities for integrating into global and regional value chains, and underscores the policy space required to support vulnerable workers and sectors.

As noted earlier, from the outset, trade considerations formed part of the early origins of the Just Transition. Unions warned that liberalization, automation, and offshoring, particularly under unregulated trade agreements, were eroding manufacturing jobs and weakening organized labour.<sup>38</sup> These early concerns underscore a persistent truth: trade and the Just Transition are deeply interlinked and must be approached as complementary agendas rather than isolated tracks.<sup>39</sup>

At the multilateral level, however, engagement remains uneven. The World Trade Organization (WTO) has addressed climate change mainly through the lens of clean energy and distributional justice, emphasizing economic support for developing countries. This framing is too narrow, neglecting the broader labour and social dimensions, such as decent work, social protection, and community resilience, that are central to a successful global Just Transition.<sup>40</sup> WTO debates on green subsidies, environmental goods, and low-carbon trade measures reveal the growing friction between climate ambition and trade equity.<sup>41</sup> While the WTO's 2022 report casts trade as “a force for good” in advancing a just transition,<sup>42</sup> structured discussions remain absent, and developing countries continue to underperform in climate-related trade. For example, despite a \$1.9 trillion global market in climate technologies in 2022,<sup>43</sup> Latin America, the Caribbean, and sub-Saharan Africa together accounted for just 30% of exports in this sector, reflecting structural inequalities.<sup>44</sup> Trade can also present challenges for the Just Transition, specifically intellectual property rights, environmental goods negotiations, and policy tools such as subsidies and local content requirements and procedures.<sup>45</sup>

Beyond the WTO, modern trade agreements offer tools that can reinforce just transition objectives. Sustainability chapters increasingly address green job creation, retraining, and worker protection; tariff reductions on environmental goods can lower the cost of clean energy technologies; and well-designed due diligence frameworks can strengthen

- 37 See UNFCCC, Katowice Committee of Experts on Impact of Implementation of Response Measures (KCI), *Guidelines and Policy Frameworks for Just Transition of the Workforce and the Creation of Decent Work and Quality Jobs* (Report, 3 September 2025); Presidential Climate Commission, *A Framework for a Just Transition in South Africa* (Presidential Climate Commission 2022) <https://pcccommissionflow.imgix.net/uploads/documents/A-Just-Transition-Framework-for-South-Africa-with-dedication-FSP-002.pdf> accessed 13 March 2025.
- 38 See D.H.; Dorn, D.; Hanson, G. 2011. *The China syndrome: Local labor market effects of import competition in the United States*, MIT Working Paper (Cambridge, MA, Massachusetts Institute of Technology); Georgios Altintzis and Esther Busser, 'The Lessons from Trade Agreements for Just Transition Policies' (2014) 6(2) *International Journal of Labour Research* 269-94, 272.
- 39 Georgios Altintzis and Esther Busser, 'The Lessons from Trade Agreements for Just Transition Policies' (2014) 6(2) *International Journal of Labour Research* 269-94.
- 40 Dr. Tedd Moya Mose, *The Just Energy Transition & Global Trade* (WTO Committee on Trade and Environment, 23 April 2024) [https://www.wto.org/library/events/event\\_resources/envir\\_2304202410/440\\_1436.pdf](https://www.wto.org/library/events/event_resources/envir_2304202410/440_1436.pdf) accessed 24 December 2024; Luciana Ghiotto, Bettina Müller and Lucia Bárcena, *Trade Agenda and Energy Transition: How Trade Agreements Are Being Used to Guarantee Access to Critical Raw Materials* (T20 Policy Brief, 2024) [https://www.t20brasil.org/media/documentos/arquivos/TF04\\_ST\\_06\\_Trade\\_agenda\\_and\\_en6707d8c40522e.pdf](https://www.t20brasil.org/media/documentos/arquivos/TF04_ST_06_Trade_agenda_and_en6707d8c40522e.pdf) accessed 4 September 2025.
- 41 World Trade Organization, 'Energy Transition at Centre of Discussions in Environment Committee and Thematic Session' (25 April 2024) [https://www.wto.org/english/news\\_e/news24\\_e/envir\\_25apr24\\_e.htm](https://www.wto.org/english/news_e/news24_e/envir_25apr24_e.htm) accessed 30 December 2024.
- 42 World Trade Organization, *World Trade Report 2022: Climate change and international trade* (WTO, June 2023) [https://www.wto.org/english/res\\_e/booksp\\_e/wtr22\\_e/wtr22\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/wtr22_e/wtr22_e.pdf) accessed 8 June 2025, 6.
- 43 Climate Policy Initiative. 2025. *Global Landscape of Climate Finance 2025*. <https://www.climatepolicyinitiative.org/publication/global-landscape-ofclimate-finance-2025/>.
- 44 UNCTAD, *Green technologies: Coherent policy action needed for developing countries to reap the benefits* (16 March 2023) <https://unctad.org/news/green-technologiescoherent-policy-action-needed-developing-countries-reap-benefits>.
- 45 Georgios Altintzis and Esther Busser, 'The Lessons from Trade Agreements for Just Transition Policies' (2014) 6(2) *International Journal of Labour Research* 269-94, 288-291.

sustainability in global supply chains.<sup>46</sup> Yet these mechanisms carry risks: poorly scoped due diligence may impose burdens on small producers with limited gains, and unilateral green trade measures like border carbon adjustments risk entrenching inequality unless revenues are recycled to support vulnerable economies in line with the principle of common but differentiated responsibilities.

Amidst the slow pace at the multilateral level, countries are increasingly incorporating trade considerations into their Just Transition strategies at the national level. Just Transition considerations appear more frequently, both explicitly and implicitly, in countries' long-term low-emission development strategies (LT-LEDS) than in their nationally determined contributions (NDCs). This suggests that governments tend to integrate the concept more fully into long-term planning frameworks, where structural economic transitions and social dimensions of decarbonization can be addressed in a more comprehensive and forward-looking manner.<sup>47</sup>

### 3.1 Examples of National Just Transition Approaches With Trade Considerations

#### Chile

Chile is actively working towards carbon neutrality by 2050, phasing out coal power plants and transitioning to renewable energy. Chile's Just Energy Transition Strategy prioritizes collaboration with government entities, labour unions, communities, and international organizations to mitigate social impacts like job losses. Measures include labour retraining, worker relocation, and early retirement plans, supported by economic and social impact studies. To finance the transition, Chile employs coal transition mechanisms (CTMs), using funds from institutions like the Inter-American Development Bank and Climate Investment Funds. One example is the retirement of units at the Tocopilla coal plant, replaced by a wind farm. Chile's Just Transition Strategy in the Energy Sector also anticipates that new clean energy jobs will be predominantly male-dominated, raising gender-barriers. To address this, Chile is promoting reskilling initiatives to support internal migration, job fairs, and entrepreneurship programmes that expand opportunities for women and underrepresented groups.<sup>48</sup>

Chile also integrates trade policy into its Just Transition strategy. In December 2023, it signed an Advanced Framework Agreement with the EU, which includes tariff reductions on 99.6% of EU products, fostering trade and investment in renewable energy, digitalization, and critical raw materials. The agreement also extends geographical indications to Chilean agricultural products. Addressing enforceability concerns regarding sustainability commitments, it includes a joint statement on reviewing trade and sustainability clauses, with the potential for trade sanctions if Chile fails to meet Paris Agreement or ILO obligations.<sup>49</sup>

#### South Africa

South Africa in particular has initiated a Just Transition Plan that incorporates significant trade considerations.<sup>50</sup> This includes an agreement between South Africa and the EU on an automotive trade transition plan that

46 See Remy, J.Y. & Facey Wilson, P.G. (2024). *A sustainable and inclusive trade agenda for CARICOM*. Forum on Trade, Environment, & the SDGs (TESS) and Shridath Ramphal Centre for International Trade Law, Policy and Services (SRC). <https://tessforum.org/latest/a-sustainable-and-inclusive-trade-agenda-for-caricom>.

47 UNFCCC-KCI. 2025. *Just transition coverage in nationally determined contributions and long-term low-emission development strategies, implementation within key sectors, and tracking its progress*. Bonn: UNFCCC. Available at <https://unfccc.int/documents/645834>.

48 Mariana Alfonso and Alejandra Paris Gallego, 'Building a Greener Future: Tools for a Just Transition in Energy Across Latin America and the Caribbean' (IADB Sostenibilidad blog, 28 May 2024) <https://blogs.iadb.org/sostenibilidad/en/building-a-greener-future-tools-for-just-transition-in-energy-across-latin-america-and-the-caribbean/> accessed 3 September 2025.

49 CYIS, 'Opportunities and Implications of the New EU-Chile Advanced Framework Agreement for the Green Transition' (CYIS, 2023) <https://www.cyis.org/post/opportunities-and-implications-of-the-new-eu-chile-advanced-framework-agreement-for-the-green-transi>.

50 South Africa was the first country to include just transition considerations in its NDC and has evolved into a model country when assessing the elements and considerations for just transition frameworks. Claudia Strambo, Muhammed Patel and Seutame Maimela, *Taking Stock of the Just Transition from Coal in South Africa* (Stockholm Environment Institute 2024) <https://doi.org/10.51414/sei2024.034>.



allows continued exports to the EU while the local industry transitions its productive system. This mitigates against unintended consequences of the green transition on the automotive sector.<sup>51</sup> South Africa also plans to establish strong geo-political and trade relationships with leading green hydrogen markets such as the EU, United Kingdom, Japan, and South Korea, which potentially allows South Africa to access and collaborate on the development of key technologies, such as fuel cells and electrolyzers, and be able to competitively place final green hydrogen-based products in these markets.<sup>52</sup> As part of its Just Transition Framework, South Africa has contemplated projected impacts to select-at-risk sectors and value chains (coal value chains, auto value chains, agriculture, and tourism) up to 2050, looking particularly on the trade environment for each five-year period starting from 2021-2025.<sup>53</sup>

## 3.2 Other Contexts

As international organizations increasingly engage in the sustainability discourse and contribute to the fight against climate change, the Just Transition is intersecting with other agendas, such as “Just Transition and Agriculture”,<sup>54</sup> “Just Sustainability Tourism”,<sup>55</sup> and “Maritime Just Transition”.<sup>56</sup> This overlap is expected to grow as the just energy transition has cascading effects on other industries that rely on energy, further linking the Just Transition with climate justice.<sup>57</sup>

## 3.3 The Just Transition: The Global South Context

While the Just Transition has gained traction in the Global North, its application in the Global South remains limited. Research from the South-South Just Transitions initiative<sup>58</sup> highlights that developing countries face distinct challenges: high informality in labour markets with limited union representation, insecure land tenure, limited institutional capacity, and constrained access to finance.<sup>59</sup> These conditions make managing the distributional effects of climate policies particularly complex, even as climate impacts are disproportionately severe. Reports emerging from the South-South Just Transitions initiative underscore that the Just Transition in the Global South context must go beyond decarbonization to address climate adaptation, poverty, inequality, and livelihoods.<sup>60</sup>

Notably, however, no Caribbean country was included in this research, and scholarship on the Just Transition in the region remains scarce. This absence underscores both the vulnerability of Caribbean economies and the urgency of developing context-specific approaches. The following section addresses this gap by situating the Just Transition within the Caribbean context and examining its intersection with trade.

51 Republic of South Africa, ‘South Africa’s Just Energy Transition Investment Plan (JET IP) 2023-2027’, November 2022, available at <https://www.stateofthenation.gov.za/assets/downloads/JET%20Implementation%20Plan%202023-2027.pdf> accessed 22 October 2024, 132.

52 *Ibid*, 143.

53 Presidential Climate Commission, *A Framework for a Just Transition in South Africa* (June 2022) <https://pcccommissionflow.imgix.net/uploads/images/A-Just-Transition-Framework-for-South-Africa-2022.pdf> accessed 22 November 2024, Table 1, p. 14.

54 ActionAid, *Principles for a Just Transition in Agriculture* (December 2019) [https://actionaid.org/sites/default/files/publications/Principles%20for%20a%20just%20transition%20in%20agriculture\\_0.pdf](https://actionaid.org/sites/default/files/publications/Principles%20for%20a%20just%20transition%20in%20agriculture_0.pdf) accessed 30 January 2025; Carbon Brief, ‘Climate Justice: The Challenge of Achieving a “Just Transition” in Agriculture’ (6 October 2021) <https://www.carbonbrief.org/climate-justice-the-challenge-of-achieving-a-just-transition-in-agriculture/> accessed 30 January 2025; WBCSD, *Toward a Just Transition in Agriculture: Preliminary Insights* (7 September 2023) <https://www.wbcd.org/news/transition-agriculture-preliminary-insights/> accessed 30 January 2025.

55 Isabelle Wemaëre, ‘The Future of Tourism in the “Just Transition”: Regulating and Optimizing Tourist Flows, Justice, and Territorial Equilibrium’ (2021) <https://journals.openedition.org/teoros/12368> accessed 30 January 2025; Raymond Rastegar, ‘Towards a Just Sustainability Transition in Tourism: A Multispecies Justice Perspective’ (2022) 52 *Journal of Hospitality and Tourism Management* 113 <https://doi.org/10.1016/j.jhtm.2022.06.008>.

56 IMO, ‘Maritime Just Transition’ <https://www.imo.org/en/OurWork/HumanElement/Pages/Maritime-Just-Transition.aspx> accessed 30 January 2025; UNCTAD, *An Equitable and Just Transition to Low-Carbon Shipping* (Policy Brief No. 112, November 2023) [https://unctad.org/system/files/official-document/presspb2023d6\\_en.pdf](https://unctad.org/system/files/official-document/presspb2023d6_en.pdf).

57 The British Academy, *Just Transitions to Decarbonisation in Sectors and Industries Globally: Summary and Policy Synthesis* (British Academy 2023) <https://www.thebritishacademy.ac.uk/documents/4196/Just-transitions-sectors-industries-summary-policy-synthesis.pdf> accessed 30 January 2025.

58 The South to South Just Transitions initiative explores the concept of a just transition to low-carbon, climate-resilient societies in nine diverse countries across the Global South—Argentina, Bangladesh, Colombia, Indonesia, Ghana, Kenya, Laos, Malawi, and Vietnam.

59 Atteridge A, Hunjan N, Lestari T et al, *Exploring Just Transition in the Global South* (Climate Strategies 2022) [https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South\\_FINAL.pdf](https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South_FINAL.pdf).

60 See Climate Strategies, *Just Transitions Toolkit: A Policymaker’s Guide to Inclusive Planning* (Climate Strategies 2024) <https://climatestrategies.org/wp-content/uploads/2024/11/Just-Transitions-Toolkit-A-Policymakers-Guide-to-Inclusive-Planning-6.pdf> accessed 23 October 2025.

## 4. Developing a Just Transition Framework for Trade for the Caribbean

Against this backdrop, this paper proposes a Just Transition framework tailored to the Caribbean. As noted earlier, while there is no universal or unifying definition for the Just Transition,<sup>61</sup> the literature highlights common priorities across contexts: minimizing negative impacts, creating opportunities for workers and communities, and ensuring equity for the most vulnerable.<sup>62</sup> These priorities resonate strongly in CARICOM, where the intersection of climate change and trade intensifies both risks and opportunities.

Building on global guidelines (including those of the ILO, UNFCCC,<sup>63</sup> and South Africa's Just Transition Framework) and informed by the gaps identified in the Global South literature, six principles are advanced as central to a Caribbean framework:

1. Social Justice & Equity
2. Effective Governance & Policy Coherence
3. Inclusive Participation & Stakeholder Engagement
4. Economic Resilience & Diversification
5. Alignment with Climate, Developmental, & Environmental Goals
6. Investment & Financing for the Green Transition

These principles are not intended to be applied in isolation. Rather, they represent an integrated set of considerations that cut across economic, social, and environmental domains. Their value lies in offering practical guidance, clarifying what should be operationalized in key sectors, and helping to assess where trade policy can reinforce or undermine a Just Transition. While not every principle will be equally relevant to every sector, taken together they provide a structured way to assess what a “Just” Transition means for a trade-dependent region facing profound climate and development challenges.

61 Just Transition Initiative, *Just Transition Concepts and Relevance for Climate Action: A Preliminary Framework* (June 2020), Wang X., Lo K. (2021), “Just transition: A conceptual review”, 82 *Energy Research & Social Science*, 2.

62 See de Vibe, Maja, and Mark Robinson. 2024. ‘Good governance and the just transition: Implications for renewable energy companies.’ Working Paper 53, Basel Institute on Governance. Available at: [baselgovernance.org/publications/wp-53](https://baselgovernance.org/publications/wp-53).

63 See UNFCCC, Katowice Committee of Experts on Impact of Implementation of Response Measures (KCI), *Guidelines and Policy Frameworks for Just Transition of the Workforce and the Creation of Decent Work and Quality Jobs* (Report, 3 September 2025).

**Table 1. Six Key Principles of a Just Transition Framework**

Principles	Description and Priorities
1. Social Justice & Equity	Grounds the transition in human rights and distributive justice, addressing structural inequalities that heighten vulnerability to climate and economic shocks. Prioritizes gender equity, inclusion of marginalized groups, and decent work standards so that the benefits of new green sectors are broadly shared. <sup>64</sup>
2. Effective Governance & Policy Coherence	Calls for transparent and accountable governance that aligns climate, economic, labour, and social policies. Promotes coherence and cross-coordination across ministries and levels of government, supported by clear regulatory frameworks and robust systems for monitoring and adaptation. <sup>65</sup>
3. Inclusive Participation & Stakeholder Engagement	Ensures meaningful involvement of workers, employers, communities, and civil society throughout the transition. Moves beyond consultation towards co-creation, empowering stakeholders to shape priorities and monitor outcomes.
4. Economic Resilience & Diversification*	Reduces dependence on vulnerable, high-emission industries by promoting skills development, innovation, and sustainable sectors. Builds adaptive capacity and fosters inclusive growth through targeted investments in climate-resilient and socially beneficial economic activities.
5. Alignment with Climate, Developmental, and Environmental goals	Embeds Just Transition strategies within broader national and global commitments (NDCs, LT-LEDS, SDGs). Ensures transition policies advance climate action while also supporting socio-economic development, poverty reduction, and resilience.
6. Investment & Financing for the Green Transition*	Mobilizes predictable and equitable finance to support workers, communities, and industries. Leverages climate finance, trade measures, and public-private partnerships to channel resources into green infrastructure, diversification, and social protection.

\* Principles closely linked with trade.

Source: Author's elaboration.

## 5. Fragmented Approaches to the Just Transition in CARICOM Member States: Emerging Practices and the Need for Regional Coherence

### 5.1 Examples of CARICOM Just Transition Strategies

Several Caribbean nations have initiated the development of Just Transition plans or strategies, though the level of implementation varies across the region. In their most recent NDC submissions (NDC 3.0), several CARICOM countries referenced Just Transition directly or indirectly.<sup>66</sup> As noted earlier, in the global context, Just Transition

64 See UNFCCC-KCI. 2025. Just transition coverage in nationally determined contributions and long-term low-emission development strategies, implementation within key sectors, and tracking its progress. Bonn: UNFCCC. Available at <https://unfccc.int/documents/645834>; Presidential Climate Commission (South Africa), *A Framework for a Just Transition in South Africa* (June 2022).

65 This principle was pulled largely from the South-South Just Transition report, which highlights that placing responsibility in a single ministry, such as labour, without engaging energy, trade, finance, and local government, risks siloed planning and weak implementation. See Atteridge A, Hunjan N, Lestari T et al, *Exploring Just Transition in the Global South* (Climate Strategies 2022) [https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South\\_FINAL.pdf](https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South_FINAL.pdf), 20.

66 In 2025, The Bahamas, Barbados, Belize, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, and Suriname submitted their NDC 3.0. All except The Bahamas and Saint Vincent and the Grenadines explicitly reference the term "Just Transition." Nonetheless, The Bahamas' NDC commits to "ensuring the implementation of its NDC is gender-responsive, youth-inclusive and supportive of vulnerable communities across The Bahamas." It further states that implementation will prioritize consultation, fairness, and shared benefits so that all Bahamians can participate in and benefit from the country's climate transformation. While not labelled a Just Transition, this approach reflects key Just Transition components, particularly social justice and equity and inclusive participation and stakeholder engagement. Saint Vincent and the Grenadines' NDC includes a commitment to undertaking a gender and youth focused approach to implementation.

references, both explicitly and implicitly, tend to appear more frequently, in countries' LT-LEDS than in their NDCs. Within CARICOM, only Belize and Jamaica have published LEDS, which to both country's credit, substantially incorporates Just Transition related elements.<sup>67</sup> Belize's LEDS presents a detailed, sector-by-sector roadmap covering forestry and other land uses (FOLU), agriculture, energy, transport, and waste, with proposed policies and actions for each to achieve emission reductions.

While Belize's LEDS does not explicitly label its approach as a Just Transition, it embeds core Just Transition features, including: (1) social inclusion through targeted measures for rural communities, smallholder farmers, and vulnerable groups; (2) economic diversification through support for green jobs, innovation, and sustainable industries; (3) stakeholder engagement and financing through calls for public-private partnerships, community-level participation, and regional cooperation; and (4) capacity building through emphasis on training, skills development, and institutional strengthening.<sup>68</sup> However, there is no overarching framework linking these measures to a coherent Just Transition vision. The approach is more sector-driven than principle-driven, which means that social justice, labour, and governance dimensions of the Just Transition are addressed indirectly rather than through explicit, measurable commitments. This reflects a broader regional gap in the use of robust monitoring and evaluation systems, an issue examined in more detail later in the paper.

Jamaica's recently submitted 2050 LTS stands out within CARICOM for its explicit engagement with the Just Transition. The LTS includes a dedicated section on implementation and the Just Transition,<sup>69</sup> which is structured around the ILO's four pillars: social dialogue, decent work and employment, skills development, and social protection. Notably, Jamaica's LTS includes a robust section on monitoring and evaluation but unfortunately trade is not treated as a central pathway through which the transition will affect competitiveness, export performance, or exposure to evolving international climate-related trade measures.

Other CARICOM countries have initiated Just Transition policies or strategies that, while extending beyond the energy sector, tend to focus predominantly on employment-related impacts, including job loss and the need for reskilling. This narrow focus may be as a result of partnerships with international organizations like the World Bank and the ILO, which have traditionally emphasized the employment aspects of the Just Transition framework. Notably, the World Bank has supported countries such as St. Lucia, Dominica, and Grenada in de-risking geothermal power production in the first two countries and implementing regulatory reforms to support private sector investment in renewable energy and energy efficiency in Grenada.<sup>70</sup> While these measures advance the low-carbon transition, they must be complemented by policies that ensure the outcomes are genuinely "just", including equitable benefit-sharing, protection of vulnerable groups, and integration of broader social, environmental, and governance dimensions into the transition process. Further, international practice indicates that incorporating these and other justice considerations at every stage of the policy process (design, implementation, and evaluation) is necessary.<sup>71</sup>

For Jamaica, the national Green Job Assessment Model project is evaluating the impact of Jamaica's current NDC strategies on its economy and job demand in the future years through building policy modelling scenarios. The project aims to give policymakers, as well as workers' and employers' organizations, a platform to "test" or project

67 UNFCCC-KCI. 2025. *Just transition coverage in nationally determined contributions and long-term low-emission development strategies, implementation within key sectors, and tracking its progress*. Bonn: UNFCCC. Available at <https://unfccc.int/documents/645834>; supra fn, 56.

68 See UNFCCC, 'Long-term low greenhouse gas emission development strategies (LT-LEDS)' <https://unfccc.int/process/the-paris-agreement/long-term-strategies> accessed 23 December 2025; Government of Belize, Low Emission Development Strategy (LEDS) (2021); Government of Jamaica, *Jamaica Long-Term Low Emission and Climate Resilient Development Strategy 2050 (LTS 2050)* (UNFCCC 2023) <https://unfccc.int/sites/default/files/resource/JamaicaLTS%202050.pdf> accessed 23 December 2025.

69 Government of Jamaica, *Jamaica Long-Term Low Emission and Climate Resilient Development Strategy 2050 (LTS 2050)* (UNFCCC 2023) <https://unfccc.int/sites/default/files/resource/JamaicaLTS%202050.pdf> accessed 23 December 2025, section 7.

70 Lilia Burunciuc, 'Clean Energy in the Caribbean: A Triple Win' (World Bank, 21 June 2022) <https://blogs.worldbank.org/en/latinamerica/clean-energy-caribbean-triple-win> accessed 9 November 2024.

71 Climate Strategies, *Submission on views relevant to the topic of the 3rd dialogue under the UAE JTWP: Lessons from international research and practice* (April 2025) <https://climatestrategies.org/wp-content/uploads/2025/04/Climate-Strategies-UNFCCC-JTWP-submission-Apr-2025.pdf>, 7.

the potential impacts of new economic and climate policies in Jamaica. This initiative is supported by a diverse technical working group that includes both the ILO's traditional partners and other non-traditional collaborators. A key component of the project is the ILO-led Green Job Assessment Modelling, the first of its kind in Jamaica.

Notably, Trinidad and Tobago's draft Just Transition policy is aimed at facilitating an effective and inclusive transition to a low-carbon emissions economy by creating opportunities for the workforce.<sup>72</sup>

While the identified examples are a step in the right direction, institutionally, the Just Transition is not yet embedded in CARICOM's governance architecture. The CARICOM Secretariat has not adopted a regional Just Transition strategy, and coordination between trade, labour, and environmental ministries remains limited. In most member states, climate policy is driven primarily by energy or environment portfolios, while labour and social protection ministries are seldom integrated into transition planning.

Financing also poses a major constraint. Transition-related initiatives in the region remain heavily donor-driven and are rarely incorporated into domestic fiscal planning or budgetary frameworks. This undermines sustainability and ownership for the region. At the same time, weak monitoring and evaluation systems, combined with insufficient disaggregated data on gender, youth, and sectoral employment, make it difficult to design policies that are both inclusive and evidence based. This fragmented institutional landscape, not only limits national implementation, but also reduces the region's collective bargaining power in trade negotiations and constrains access to climate finance. Addressing these gaps requires the development of a regional Just Transition framework that is principle-based, sector-specific, and supported by robust monitoring, financing, and social dialogue. This will be discussed in greater detail below.

## 6. Using the Just Transition Framework to Advance CARICOM's Trade Agenda

The proposed Just Transition framework, with its six principles, can be strategically applied to CARICOM's trade agenda to help advance both climate action and sustainable economic development. As noted earlier in the paper, trade is not only a critical driver of the region's growth, but also a vehicle for fostering economic diversification and resilience, enabling CARICOM to advance its climate and broader sustainable development commitments. Trade provides the means for economic diversification, enabling member states to access new markets, attract investment, and integrate into emerging green, blue, and orange economy value chains. Trade rules also shape the policy space available for governments to support workers, micro, small, and medium-sized enterprises (MSMEs), and vulnerable sectors.

In applying the framework to trade, particular attention should be given to trade-related industries that meet one or both of the following criteria:

- Sectors at risk in the low-carbon transition, which may experience economic contraction, market loss, or employment displacement; and
- Sectors with potential to serve as alternative or growth industries, capable of generating decent work, attracting investment, and enhancing resilience in a climate-constrained global economy.

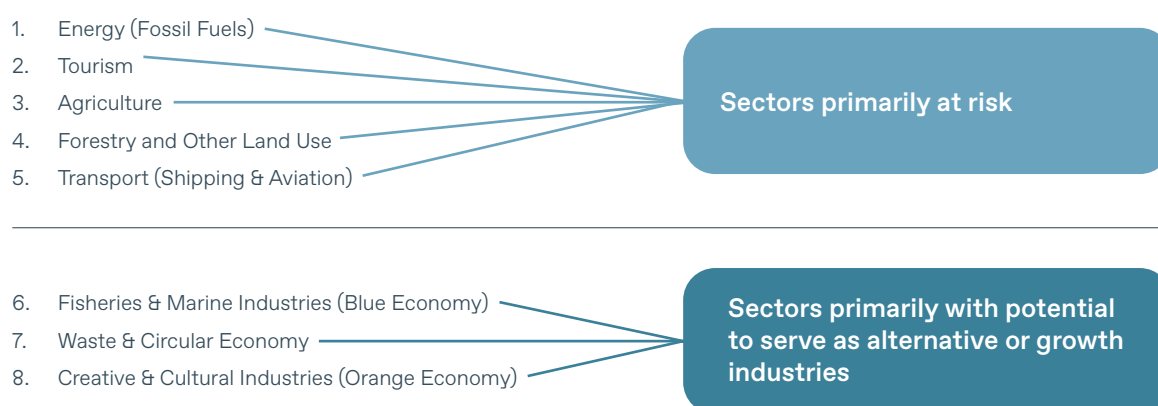
<sup>72</sup> Government of Trinidad and Tobago, *Draft Just Transition Policy for Trinidad and Tobago* (2022) <https://justtransitionforall.com/wp-content/uploads/2022/03/Trinidad-Tobago-Govt-Draft-Just-Transition-Policy.pdf> accessed 15 December 2024.



This dual focus allows CARICOM to design policies that both mitigate risks for vulnerable industries and maximize opportunities in emerging sustainable sectors, ensuring that the transition is both equitable and inclusive.

While the identified at-risk sectors will require significant transformation, the following analysis will also explore opportunities to retrofit these sectors, applying the six Just Transition principles to guide practical, equitable, and sustainable adaptation strategies.

**Figure 1. Sectors Primarily at Risk and Sectors Primarily With Potential to Serve as Alternative or Growth Industries in the Low-Carbon Transition**



Source: Author.

## Sectors Primarily at Risk

### 6.1 Energy (Fossil Fuels)

The energy transition is a cornerstone of CARICOM's Just Transition, with potential to reduce climate vulnerability, strengthen competitiveness, and expand social inclusion. Yet it is also one of the most complex transitions, given the region's heavy dependence on imported fossil fuels and the high upfront investment required for renewable alternatives. Importantly, for the Caribbean, the Just Transition is less about phasing out domestic fossil fuel production and more about reducing fossil fuel dependency and increasing renewable energy access.

The dilemma is stark. Nine CARICOM member states rely on fuel imports for over 80% of their electricity needs, with five importing as much as 90%.<sup>73</sup> This dependence absorbs up to 8% of GDP and contributes to electricity tariffs often exceeding \$0.30 per kilowatt-hour, among the highest globally.<sup>74</sup> CARICOM's target of a 47% renewable electricity share by 2027 is ambitious but achievable if supported by harmonized regulation, regional grid integration, and access to trade-facilitated finance and technology.<sup>75</sup> But investment requirements are steep, an estimated \$11

<sup>73</sup> CCREEE (2024), *Making the Transition: Challenges and Opportunities*, Caribbean Centre for Renewable Energy and Energy Efficiency, <https://www.ccreee.org/blog/making-the-transition/>. See also World Bank, 'Imports of Petroleum Products (% of Total Energy Use)' (World Bank, 2024) <https://data.worldbank.org/indicator/EG.IMP.CON.S.ZS> accessed 9 November 2024; See also Lilia Burunciuc, 'Clean Energy in the Caribbean: A Triple Win' (World Bank, 21 June 2022) <https://blogs.worldbank.org/en/latinamerica/clean-energy-caribbean-triple-win> accessed 9 November 2024.

<sup>74</sup> Caribbean Development Bank, 'Keynote: Energy Transition in the Caribbean – Challenges and Opportunities' (2023) <https://www.caribank.org/newsroom/news-and-events/speeches/keynote-energy-transition-caribbean-challenges-and-opportunities> accessed 7 November 2024. Caribbean Development Bank, 'Keynote: Energy Transition in the Caribbean – Challenges and Opportunities' (2023) <https://www.caribank.org/newsroom/news-and-events/speeches/keynote-energy-transition-caribbean-challenges-and-opportunities> accessed 7 November 2024. According to the Caribbean Development Bank, 84% of its Borrowing Member Countries rely on imported petroleum products, such as diesel fuel and petrol, for electricity generation, transportation, industry, and cooking.

<sup>75</sup> At the 82nd Special Meeting of Council for Trade and Economic Development (COTED), CARICOM endorsed the methodology, principles and practices of integrated resource and resilience planning as the preferred mechanism for electricity sector planning in Member States and urged Member States to develop Integrated Resource and Resilience Plans (IRRP) by 2023. Caribbean Centre for Renewable Energy and Energy Efficiency, *Integrated Resource and Resilience Plans (IRRP)* <https://www.ccreee.org/irrp/> accessed 7 November 2024.

billion over the next decade, and experience from other regions like Africa shows that upfront and maintenance costs are often underestimated.<sup>76</sup>

The renewable energy sector offers major opportunities for job creation. Solar installation projects generate up to three times more jobs per dollar invested than fossil fuel projects. Yet unless these are *decent jobs*, with fair wages, gender-inclusive hiring, and strong labour protections, they will not advance a just transition. Similarly, if cost savings from renewables are not passed on to households and MSMEs, “energy access inequities” may deepen. For fossil fuel exporters like Trinidad and Tobago and Guyana, diversification into low-carbon manufacturing, green hydrogen, and higher-value services will be essential to offset shrinking market access under border carbon adjustment measures.

Applying the Just Transition principles highlights the policy gaps and opportunities in CARICOM’s energy sector:

- **Social Justice & Equity (Principle 1):** The transition will displace fossil fuel workers and disrupt communities. Protecting livelihoods demands tailored retooling and reskilling programmes, apprenticeships for green jobs, and active labour market policies to support job search and relocation. Social protection measures, such as unemployment benefits, income support during retraining, or stipends for education, must be targeted at vulnerable groups, including women and youth, particularly those from rural communities. International experience shows that giving communities a stake in new projects helps ensure that transition benefits are broadly distributed rather than captured by elites.<sup>77</sup> In the energy sector, this can take the form of community co-ownership of renewable energy projects (solar farms, microgrids), with profits reinvested into education, healthcare, and energy access.
- **Effective Governance & Policy Coherence (Principle 2):** The current patchwork of donor-driven projects undermines integration. A Just Transition requires harmonized regulation, regional grid integration, and coherent energy-trade strategies across CARICOM. Infrastructure decisions must be transparent, participatory, and aligned with long-term climate and development goals to prevent stranded investments such as natural gas pipelines. International experience points to the value of establishing a dedicated Just Transition Authority to coordinate programmes across ministries and levels of government, while ensuring alignment with community needs.<sup>78</sup> Lessons from the Global South also show that building institutional capacity within government and across agencies is essential, so that relevant ministries and local authorities have the expertise and tools to plan, finance, and manage the transition effectively.<sup>79</sup>
- **Economic Resilience & Diversification (Principle 4):** To avoid stranded fossil assets, energy exporters must channel trade and investment policies towards diversification. New clusters, such as green hydrogen, low-carbon manufacturing, and eco-tourism, can provide alternative livelihoods, while community-based initiatives like distributed solar or nature-based solutions can generate rural employment.
- **Investment & Financing for the Green Transition (Principle 6):** Closing the \$9–11 billion investment gap,<sup>80</sup> requires more than project-by-project finance. Trade and investment agreements should be leveraged to

76 IEA, *How a High Cost of Capital Is Holding Back Energy Development in Kenya and Senegal* (Commentary, International Energy Agency, 6 February 2025).

77 McCauley, Darren. (2023). Just Transitions. 10.51952/9781529232233.ch015; Climate Strategies, *Just Transition Planning Masterclass Summary Report* (Climate Strategies 2024) <https://climatestrategies.org/wp-content/uploads/2024/12/Just-Transition-Planning-Masterclass-Summary-Report.pdf>, 11.

78 UNFCCC-KCI. 2025. *Just transition coverage in nationally determined contributions and long-term low-emission development strategies, implementation within key sectors, and tracking its progress*. Bonn: UNFCCC. Available at <https://unfccc.int/documents/645834>.

79 Atteridge A, Hunjan N, Lestari T et al, *Exploring Just Transition in the Global South* (Climate Strategies 2022) [https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South\\_FINAL.pdf](https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South_FINAL.pdf), 20.

80 Malaika Masson, David Ehrhardt, and Veronica Lizzi, ‘Sustainable Energy Paths for the Caribbean’ (Inter-American Development Bank, 2020) [https://publications.iadb.org/en/publications/english/viewer/Sustainable\\_Energy\\_Paths\\_for\\_the\\_Caribbean.pdf](https://publications.iadb.org/en/publications/english/viewer/Sustainable_Energy_Paths_for_the_Caribbean.pdf), 12.

mobilize green bonds, blended finance, and debt-for-climate swaps, while concessional climate funds such as the Green Climate Fund must be more systematically accessed. Bundling regional projects could help CARICOM achieve scale and bargaining power.

## 6.2 Tourism

Tourism is both the Caribbean's greatest strength and one of its greatest vulnerabilities. As the world's most tourism-dependent region—with eight of the ten most tourism-reliant countries globally<sup>81</sup>—tourism is a foundational pillar of economic activity, contributing up to 83% of GDP in countries like Antigua and Barbuda and supporting 2.75 million jobs across the region in 2019. Its extensive value chain incorporates hospitality, transport, construction, agriculture, retail, cultural services, and financial intermediation, making it central to trade-led growth, employment, and diversification.<sup>82</sup>

Yet the sector is deeply *at risk*. Tourism is energy- and carbon-intensive, with heavy dependence on fossil-fuelled airlift and cruise infrastructure, and it is acutely vulnerable to climate change. Extreme weather events, sea-level rise, and coral reef degradation threaten the natural assets upon which the industry depends. Globally, tourism accounts for roughly 8% of greenhouse gas (GHG) emissions, and with shifting traveller preferences towards sustainability, 83% of global travellers now consider sustainable travel essential,<sup>83</sup> which means that Caribbean destinations risk losing competitiveness if they fail to adapt. Overreliance on tourism also creates exposure to external shocks, as shown by the COVID-19 pandemic, when border closures led to economic collapse in highly tourism-dependent states.

Notwithstanding this, sustainable tourism represents a potential alternative pathway for the region. It is projected to grow by 5.5% annually and is recovering faster than most global sectors.<sup>84</sup> If reoriented, the industry can support economic resilience and diversification by deepening value chain linkages with agriculture (farm-to-table initiatives), the creative industries (cultural tourism), and niche manufacturing. Sustainable tourism can create opportunities for green and decent jobs, particularly for women, youth, and persons in rural communities, while eco-tourism and biodiversity-based tourism can help reposition the Caribbean as a leader in nature-based and cultural experiences.

Applying the Just Transition principles highlights both the risks and opportunities for CARICOM's tourism sector:

- **Social Justice & Equity (Principle 1):** The concentration of tourism jobs in low-wage, precarious segments underscores the need for stronger labour protections, skills upgrading, and social protection for seasonal or displaced workers. Green job creation, such as in sustainable hospitality, eco-guiding, or cultural heritage preservation must prioritize vulnerable groups, such as women, youth, hotel workers, small farmers, MSMEs, craft vendors, and persons in rural communities to prevent widening inequality.<sup>85</sup> CARICOM should prioritize apprenticeships in eco-tourism, cultural industries, and green hospitality, ensuring vulnerable groups and people benefit from new opportunities.

81 World Travel & Tourism Council, *Travel & Tourism in the Caribbean: Economic Impact 2022* (WTTC 2022) <https://wttc.org/Portals/0/Documents/Reports/2022/Travel-and-tourism-in-the-caribbean.pdf>.

82 Gomez Garcia, O. et al. (2021), Caribbean Quarterly Bulletin, Volume 10, Number 1, Inter-American Development Bank, Washington, DC, <https://doi.org/10.18235/0003265>.

83 Trade and Investment Opportunities in Sustainable Tourism in the CARIFORUM Region: Towards Sustainable Tourism – Trends and Opportunities under the Economic Partnership Agreement with the European Union- <https://www.tradeeconomics.com/wp-content/uploads/Sustainable-Tourism-Brochure.pdf>.

84 World Travel & Tourism Council, *Travel & Tourism in the Caribbean: Economic Impact 2022* (WTTC 2022) <https://wttc.org/Portals/0/Documents/Reports/2022/Travel-and-tourism-in-the-caribbean.pdf> accessed 12 November 2024, 4.

85 The General Assembly also recently adopted a resolution on the “*Promotion of sustainable and resilient tourism, including ecotourism for poverty eradication and environmental protection*” which recognized sustainable tourism, including ecotourism as a cross-cutting activity that can contribute to the three dimensions of sustainable development. See Resolution adopted by the General Assembly on 19 December 2024, *Promotion of sustainable and resilient tourism, including ecotourism, for poverty eradication and environmental protection*, UN Doc. A/RES/79/229 (Dec. 23, 2024) <https://docs.un.org/en/A/RES/79/220>

- **Effective Governance & Policy Coherence (Principle 2):** Regional coordination is uneven, with disparate initiatives led by donors and national agencies. Building on the Caribbean Tourism Organization’s Sustainable Tourism Policy Framework, CARICOM should embed tourism within broader climate, trade, and development strategies. Harmonized standards, transparent regulation, and alignment with the CARIFORUM-EU Economic Partnership Agreement (EPA) can ensure that sustainability requirements in trade agreements become tools for upgrading rather than barriers to participation.<sup>86</sup> A regional Just Tourism Platform, similar to the governance structures proposed in the UNFCCC guidelines, could harmonize standards, integrate tourism into climate and trade policy, and strengthen implementation of the Caribbean Sustainable Tourism Policy Framework.
- **Inclusive Participation & Stakeholder Engagement (Principle 3):** Tourism policy has often been top-down, dominated by large investors. A just transition requires systematic inclusion of communities, MSMEs, and informal workers, ensuring that benefits flow beyond major resorts to local farmers, artisans, and small service providers. Global South experience shows that reskilling initiatives are most effective when developed collaboratively with the private sector.<sup>87</sup> In the tourism context, this means involving hotel chains, tour operators, and local business associations in designing training programmes and advising curricula that prepare workers for emerging niches such as eco-tourism, heritage tourism, digital hospitality services, and sustainable supply chains.
- **Economic Resilience & Diversification (Principle 4):** While tourism is itself a major employer, its overdominance exposes economies to volatility. In 2021, tourism supported 13.4% of regional jobs, contributing to the employment of 2.75 million people in 2019, which accounted for 15.2% of all employment in the Caribbean.<sup>88</sup> Diversification within tourism (eco-tourism, cultural tourism, and health and wellness tourism, which focuses on the region’s biodiversity and indigenous knowledge of healing plants and herbs) and across sectors is essential to reduce dependence on mass tourism and cruise markets and create more resilient value chains. Embedding biodiversity-based enterprises, such as nature-based tourism, conservation jobs, and climate-smart agriculture, can create resilient local economies. A notable example is Belize’s ILO value chain study which illustrates how sustainable tourism linked to fruit processing can create green jobs in underserved areas.<sup>89</sup>
- **Alignment with Climate, Developmental, and Environmental Goals (Principle 5):** Tourism infrastructure must be climate-proofed, from airports and ports to hotels and coastal roads. Integrating circular economy principles, such as mandatory environmental impact assessments, water and energy efficiency, waste reduction, and building natural disaster resilient infrastructure, aligns the sector with global sustainability standards and strengthens its competitiveness and resilience.
- **Investment & Financing for the Green Transition (Principle 6):** Tourism projects require consistent access to climate finance, concessional loans, and investment incentives that reward sustainability. Instruments such as green bonds, blended finance, and tax incentives for eco-tourism projects can channel private capital into low-carbon tourism. The CARIFORUM-EU EPA provides avenues for cooperation, financing, and technical assistance, which CARICOM states should leverage to access new investment tools and build a regional sustainable tourism brand.

86 *Trade and Investment Opportunities in Sustainable Tourism in the CARIFORUM Region* <https://www.tradeeconomics.com/wp-content/uploads/Sustainable-Tourism-Brochure.pdf>.

87 Atteridge A, Hunjan N, Lestari T et al, *Exploring Just Transition in the Global South* (Climate Strategies 2022) [https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South\\_FINAL.pdf](https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South_FINAL.pdf), 21.

88 World Travel & Tourism Council, *Travel & Tourism in the Caribbean: Economic Impact 2022* (WTTC 2022) <https://wttc.org/Portals/0/Documents/Reports/2022/Travel-and-tourism-in-the-caribbean.pdf> accessed 12 November 2024, 4.

89 International Labour Office, *Decent Work Country Programme, Belize - 2024-2029* (International Labour Office 2023), 88.

## 6.3 Agriculture

Agriculture is primarily *at risk* due to its exposure to climate shocks and dependence on imports, but it is also a key *alternative pathway* sector when repositioned around sustainable practices, value-added agro-processing, and regional food security.

On the one hand, it is highly climate vulnerable: rising temperatures, erratic rainfall, and more frequent storms threaten yields and supply chains, while sea-level rise and saltwater intrusion endanger coastal farmlands. Unsustainable practices, such as heavy pesticide use and soil degradation, further undermine resilience and competitiveness. These risks jeopardize food security and rural livelihoods, making climate adaptation non-negotiable.

On the other hand, agriculture offers a pathway for diversification and inclusive growth. The sector underpins food security, contributes to regional identity, and generates linkages with tourism and manufacturing. With global markets for sustainable, organic, and traceable foods expanding, CARICOM has an opportunity to position its agriculture as a niche exporter of high-value, environmentally sustainable products. Food processing, for example, produces up to eight times more output per worker than farming and can significantly upgrade regional value chains. The CARICOM Agriculture Disaster Plan, which aims to cut the region's food import bill by 25% by 2025, illustrates the sector's centrality to trade, resilience, and development.

Evaluating agriculture through the Just Transition principles reveals key priorities:

- **Social Justice & Equity (Principle 1):** Smallholders, informal workers, women, and youth remain most vulnerable to climate shocks and market exclusion. A Just Transition requires equitable access to land, finance, and markets, alongside social protection measures and training to support adaptation. Apprenticeship programmes and farmer cooperatives can help build the skills and collective capacity needed for green and sustainable agricultural transformation.<sup>90</sup>
- **Effective Governance & Policy Coherence (Principle 2):** Achieving food security and climate resilience demands stronger regional coordination, particularly in implementing the CARICOM Agriculture Disaster Plan. This requires alignment between trade, climate, and agricultural policies, avoiding duplication of donor-led initiatives, and ensuring that investment priorities reflect regional development strategies. Agriculture's interconnections with water resources, biodiversity, tourism, and rural livelihoods require inclusive participation in policy design and implementation. This ensures farmers, cooperatives, agri-businesses, and communities actively shape strategies and share the benefits of the transition.<sup>91</sup>
- **Economic Resilience & Diversification (Principle 4) and Alignment with Climate, Developmental, and Environmental Goals (Principle 5):** For CARICOM countries, agriculture must move beyond primary production. Upgrading agro-processing, expanding value chains (e.g. cocoa-to-chocolate, farm-to-table linkages with tourism), and supporting biodiversity-based enterprises can drive diversification and create decent jobs. Local food production also reduces import dependency, improving balance of payments and resilience to global shocks. Food processing offers major opportunities for economic diversification.<sup>92</sup> The Caribbean Export Development Agency is advancing regional integration by promoting value chain development. A notable example is its work in strengthening the cocoa and chocolate value chain between the

90 Intergovernmental Panel on Climate Change, 'Special Report on Climate Change and Land: Summary for Policymakers' (2019) [https://www.ipcc.ch/site/assets/uploads/sites/4/2022/11/SRCCL\\_SPM.pdf](https://www.ipcc.ch/site/assets/uploads/sites/4/2022/11/SRCCL_SPM.pdf) accessed 9 November 2024.

91 Alfonso M, Bagolle A, Baptista D, et al, *Advancing a Just Transition in Latin America and the Caribbean* (Policy Brief, Inter-American Development Bank, October 2023), 3.

92 Dessina, Y., A. Minsat and R. Delana (2022), "Why stronger regional value chains can help Africa rebound from economic shocks", OECD Development Matters blog, [Why stronger regional value chains can help Africa rebound from economic shocks - Development Matters](#)



Dominican Republic and Haiti. Through dialogue, cooperation, and technical support, two firms, Makaya from Haiti and Definite Chocolate from the Dominican Republic, collaborated to create the first bi-national chocolate collection.<sup>93</sup> Modernizing the sector and adopting innovative, eco-friendly approaches will allow CARICOM member states to better leverage their agricultural exports while safeguarding the region's natural resources. With the global market for natural and organic food growing, Caribbean states can expand their global market share by producing high quality, traceable, and sustainable agro-food products,<sup>94</sup> and increase their participation in agro-food value chains.<sup>95</sup>

- **Investment & Financing for the Green Transition (Principle 6):** Meeting CARICOM's food security and diversification goals requires an estimated \$4 billion in investments in production, processing, and logistics. To further support these efforts, the EU has committed to mobilizing €600 million from the reserves of the European Development Fund to support Member States of the Organisation of African, Caribbean and Pacific States to mitigate effects of the food crisis,<sup>96</sup> with €27 million allocated to CARIFORUM states. This programme is expected to contribute to supporting research and investment in food production solutions, strengthening selected agriculture and fisheries value chains at local and regional levels and improving food processing capabilities to increase regional food distribution.<sup>97</sup> International environmental funds, including the Green Climate Fund (GCF), are supporting nature-based solutions projects in Saint Lucia. These initiatives focus on reforestation degraded lands and restoring wetlands, enhancing water access, and promoting knowledge transfer on sustainable agricultural practices.<sup>98</sup>

#### *Important Trade Implications*

Agriculture sits at the heart of CARICOM's trade agenda. At the WTO, CARICOM must push for disciplines on trade-distorting subsidies in developed countries, while leveraging agreements like the CARIFORUM-EU EPA to expand market access for sustainable agricultural exports. Trade policy should also support regional certification and traceability systems, ensuring CARICOM products meet rising sustainability standards in global markets.

## 6.4 Forestry and Other Land Uses

The FOLU sector occupies a paradoxical space in CARICOM's Just Transition: it is both *at risk*, due to unsustainable practices, rural poverty, and exposure to stricter global environmental standards, and a major *alternative pathway* for climate mitigation, biodiversity protection, and green job creation. The sector's transition is therefore important to aligning CARICOM's trade agenda with its environmental and developmental goals.

Unsustainable land-use practices, including deforestation, poorly regulated logging, and inappropriate agricultural expansion, undermine biodiversity, erode soil and water systems, and threaten livelihoods. Global supply chains are increasingly shaped by sustainability requirements (e.g. the EU's deforestation-free supply chain regulations), and CARICOM exporters of forestry or land-based products face heightened risk of losing market access if they cannot demonstrate compliance.

93 Caribbean Export (2022), *Transforming to a Greener, Smarter, Resilient Caribbean: Annual Results Report*, Caribbean Export Development Agency, St. Michael, Barbados, <https://carib-export.com/es/publications/2022-annual-results-report/>.

94 OECD/IDB (2024), *Caribbean Development Dynamics 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/a8e79405-en>, 195.

95 OECD (2023), "Innovative agro-food industries in the EU Outermost Regions", OECD Development Policy Papers, No. 49, OECD Publishing, Paris, <https://doi.org/10.1787/Od615c8d-en>.

96 European Commission, 'Food Security: EU Allocates Funds to the Most Vulnerable African, Caribbean and Pacific Countries Hit by Food Crisis' (24 September 2022) [https://international-partnerships.ec.europa.eu/news-and-events/news/food-security-eu-allocates-funds-most-vulnerable-african-caribbean-and-pacific-countries-hit-food-2022-09-24\\_en](https://international-partnerships.ec.europa.eu/news-and-events/news/food-security-eu-allocates-funds-most-vulnerable-african-caribbean-and-pacific-countries-hit-food-2022-09-24_en).

97 Dr Carla N Barnett, 'Remarks at the Launch of the EU-CARIFORUM Food Security Programme' (CARICOM Secretariat, 23 November 2023) <https://caricom.org/remarks-by-dr-carla-n-barnett-secretary-general-caricom-cariforum-at-the-launch-of-the-eu-cariforum-food-security-programme-caricom-secretariat-guyana-23-november-2023/>.

98 GCF (2022), *Annual Results Report 2021, Green Climate Fund*, Incheon City, Korea, <https://www.greenclimate.fund/annual-results-report-2021>.

A well-managed transition in FOLU could generate substantial benefits for rural communities and the regional economy. Ecosystem restoration, including mangrove rehabilitation, afforestation, and sustainable forest management, can create thousands of jobs while enhancing climate resilience. Belize, for instance, projects up to 10,000 jobs from large-scale reforestation. Beyond direct employment, sustainable forestry supports eco-tourism, agroforestry, and value-added timber products.<sup>99</sup>

Applying the Just Transition principles to FOLU highlights priority actions:

- **Social Justice & Equity (Principle 1):** Rural and indigenous communities who depend on forests for livelihoods must not be left behind. Reforestation, agroforestry, and biodiversity-based enterprises (e.g. medicinal plants, ecotourism services) should integrate social protection measures, training, and financing access to ensure equitable benefit-sharing. Guyana's partnership with the EU, which explicitly references indigenous peoples and vulnerable groups, is an important precedent.<sup>100</sup>
- **Effective Governance & Policy Coherence (Principle 2):** Strong governance frameworks are critical to prevent "greenwashing" and ensure transparency. Guyana's Voluntary Partnership Agreement on timber legality assurance illustrates how trade agreements can embed robust monitoring and accountability. CARICOM should expand similar governance frameworks regionally, ensuring coherence between forestry, agriculture, climate, and trade policies.
- **Inclusive Participation & Stakeholder Engagement (Principle 3):** A just forestry transition requires meaningful involvement of local communities, indigenous peoples, and smallholders at all levels of the policy development process and decision making. REDD+ initiatives in Guyana and Suriname already integrate stakeholder participation, offering models for broader CARICOM uptake.<sup>101</sup> Apart from inclusion in the process, the design and implementation of enhanced benefit-sharing mechanisms in the FOLU sector would provide new opportunities for poor and indigenous communities who depend directly on land and forest resources for their livelihoods.<sup>102</sup>
- **Investment & Financing for the Green Transition (Principle 6):** Forestry and ecosystem services are underutilized as financing levers. Carbon markets, REDD+ payments, and biodiversity credits offer potential streams of revenue that can both finance conservation and deliver local benefits. CARICOM states must strengthen their institutional readiness to access these mechanisms, as well as global funds like the GCF, while ensuring that benefits flow directly to affected communities.

## 6.5 Transport (Shipping and Aviation)

Transport is primarily an at-risk sector for CARICOM in the Just Transition. The region's economies are heavily dependent on fossil fuels to power both shipping and aviation, with transport accounting for nearly 30% of fuel imports and contributing around 10% of GDP.<sup>103</sup> Yet it remains one of the most structurally inefficient and carbon-intensive systems in the world. Logistics costs absorb 16–26% of GDP, compared to the Organisation for Economic Co-operation and Development (OECD) average of 9%, undermining competitiveness and driving up consumer prices.<sup>104</sup> These high costs stem from structural constraints, including poor inter-island connectivity, limited economies of scale,

99 Government of Belize, Low Emission Development Strategy (LEDS) (2021).

100 European Commission, "COP 15: the EU and Guyana sign an agreement on sustainable trade of legal timber" (15 December 2022) *International Partnerships* [https://international-partnerships.ec.europa.eu/news-and-events/news/cop-15-eu-and-guyana-sign-agreement-sustainable-trade-legal-timber-2022-12-15\\_en](https://international-partnerships.ec.europa.eu/news-and-events/news/cop-15-eu-and-guyana-sign-agreement-sustainable-trade-legal-timber-2022-12-15_en).

101 REDD+ is a framework to protect forests as part of the Paris Agreement.

102 See Kyophilavong, P. (2022). Challenges, Opportunities, and Recommendations for a Just Transition in Laos. *Climate Strategies*, 13.

103 CCREEE (2024), *Sustainable Transport Programme*, Caribbean Centre for Renewable Energy and Energy Efficiency, <https://www.ccreee.org/our-work/sustainable-transport-programme/>.

104 OECD/IDB (2024), *Caribbean Development Dynamics 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/a8e79405-en>, 199.

inadequate port and airport infrastructure, and regulatory fragmentation, that lock the region into dependence on imported fossil fuels and high trade costs.

The sector's vulnerability is amplified by external climate regulations. The International Maritime Organization (IMO) has set ambitious targets to reduce shipping emissions by 20–30% by 2030 and to reach net-zero by 2050.<sup>105</sup> Caribbean states have advocated strongly within these negotiations—supporting a universal GHG levy and the creation of an IMO Net-Zero Fund,<sup>106</sup> but even with financial mechanisms in place, compliance will be costly. Without proactive investment, CARICOM risks losing competitiveness, being excluded from key shipping routes, and facing stranded infrastructure assets in both shipping and aviation.

Applying the Just Transition principles highlights priority retrofits to reduce these risks:

- **Social Justice & Equity (Principle 1):** Seafarers, dock workers, and aviation staff face potential job losses or displacement as vessels and fleets transition to new fuels and technologies. A Just Transition demands robust reskilling and apprenticeship programmes in STEM-based maritime and aviation fields, green maritime services, port retrofitting, and logistics digitalization alongside social protection for displaced workers.
- **Effective Governance & Policy Coherence (Principle 2):** Current efforts are fragmented, with some Organisation for Eastern Caribbean (OECS) states experimenting with environmental taxes but no regional framework for transport decarbonization. A CARICOM-wide transport strategy is needed to harmonize port and airport regulations, reduce marine pollution, and align transport with broader trade, climate, and energy policies. The UNFCCC suggests the value of dedicated transition bodies or funds.<sup>107</sup> A regional transport transition platform could harmonize standards, pool resources for port upgrades, and channel international climate finance, while ensuring IMO negotiations reflect SIDS' needs.
- **Inclusive Participation & Stakeholder Engagement (Principle 3):** Port authorities, seafarers' unions, informal boat operators, and local communities must be integrated into planning. The UNFCCC stresses the importance of social dialogue and collective bargaining, tools that could help prevent top-down reforms that raise costs but exclude workers' voices.<sup>108</sup> Stakeholders must also be incorporated into the development of social scheme plans to help determine the needs.
- **Economic Resilience & Diversification (Principle 4):** Transport is not an alternative growth sector on its own, but retrofitting systems, through green ports, inter-island fast ferries, and resilient regional airlines, can reduce trade costs and catalyse diversification in agriculture, tourism, and manufacturing. Its role lies in creating strong economic linkages, such as ferry services that expand tourism and regional trade or green logistics clusters like renewable-powered cold chain hubs. In this way, transport becomes a lever for broader development rather than a stand-alone liability.
- **Alignment with Climate, Developmental, and Environmental Goals (Principle 5):** CARICOM states must conduct impact assessments of IMO's GHG levy and other decarbonization measures to avoid disproportionate costs. These assessments are essential to ensure climate alignment does not erode trade competitiveness or food security.

<sup>105</sup> International Maritime Organization, 'Advancing green shipping in the Caribbean' (15 July 2024) <https://www.imo.org/en/MediaCentre/Pages/WhatsNew-2110.aspx> accessed 29 October 2024.

<sup>106</sup> Anastasia Kypriotaki, 'MEPC 83: Outcomes, Reactions and Implications' (Safety4Sea, 14 April 2025) <https://safety4sea.com/mepc-83-outcomes-reactions-and-implications/>.

<sup>107</sup> UNFCCC-KCI. 2025. Just transition coverage in nationally determined contributions and long-term low-emission development strategies, implementation within key sectors, and tracking its progress. Bonn: UNFCCC. Available at <https://unfccc.int/documents/645834>, 74.

<sup>108</sup> *Ibid.*

- **Investment & Financing for the Green Transition (Principle 6):** Retrofitting ships, modernizing ports, and scaling renewable-based aviation fuels will require billions in investment. Accessing the IMO Net-Zero Fund, leveraging climate finance, and developing regional public-private partnerships are essential to avoid passing costs onto consumers and small businesses. Also, revenues should be earmarked for upgrading ports, subsidizing vessel retrofits, and funding training programmes and social protection schemes for airline and transport workers.

## Sectors Primarily with Potential to Serve as Alternative or Growth Industries

### 6.6 Fisheries and Marine Industries (Blue Economy)

The blue economy<sup>109</sup> is primarily an *alternative pathway* sector for CARICOM's Just Transition. With the region hosting nearly 10% of the world's coral reefs and 45% of its fish species, it therefore holds both ecological significance and economic potential.<sup>110</sup> In 2019, fisheries employed over 350,000 people and contributed more than \$500 million to regional revenue,<sup>111</sup> while the broader ocean economy, including transport, tourism, and oil and gas, generated U\$407 billion in 2012, despite the Caribbean accounting for just 1% of global ocean area.<sup>112</sup> This outsized dependence underscores the sector's importance for food security, trade, and livelihoods.

Yet *risks* are evident. The Food and Agriculture Organization (FAO) and Caribbean Development Bank (CDB) have confirmed that overfishing and natural resource degradation pose a major challenge to the sustainable development of the fisheries sector in the Caribbean.<sup>113</sup> The OECD has estimated that the region needs approximately \$175 billion by 2030 to fortify marine biodiversity, enhance sustainable fishing practices, and bolster coastal defences against climate change.<sup>114</sup>

Applying the Just Transition principles frames the blue economy as a transformative opportunity for CARICOM:

- **Social Justice & Equity (Principle 1):** Coastal and indigenous communities and small-scale fishers are disproportionately vulnerable. Inclusive marine policies must ensure fair access to resources, social protection for fisherfolk, and alternative livelihoods through skills development in aquaculture, eco-tourism, and marine services.
- **Effective Governance & Policy Coherence (Principle 2):** Fisheries governance is fragmented, with overlapping national and regional frameworks. CARICOM requires coherent regulatory and monitoring systems, integrating trade, climate, and marine policy. A regional Blue Economy Task Force could align efforts across fisheries, shipping, tourism, and conservation to avoid policy silos.
- **Inclusive Participation & Stakeholder Engagement (Principle 3):** The livelihoods of small fishers, coastal residents, and MSMEs must be central to blue economy planning. Mechanisms for social dialogue and participatory resource management, such as co-management of marine protected areas, ensure buy-in and fair distribution of benefits.

109 The blue economy is defined by the OECD as the sum of the economic activities of ocean-based industries, and the assets, goods and services of marine ecosystems. See OECD (2024), *The Blue Economy in Cities and Regions*, OECD Urban Studies, OECD Publishing, Paris, <https://doi.org/10.1787/bd929b7d-en>.

110 OECD/IDB (2024), *Caribbean Development Dynamics 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/a8e79405-en>, 20.

111 CAF (2021), *Blue Economy Opportunities for Revival in the Caribbean*, Development Bank of Latin America and the Caribbean, <https://www.caf.com/en/blog/blue-economy-opportunities-for-revival-in-the-caribbean/>.

112 World Bank (2016), *Toward a Blue Economy: A Promise for Sustainable Growth in the Caribbean*, World Bank, <https://www.cbd.int/financial/doc/wb-blueeconomy.pdf>.

113 FAO and CDB. 2019. *Study on the State of Agriculture in the Caribbean Rome*, 72.

114 GCF (2023), "Plugging the finance gap in the Caribbean", 2 December, Green Climate Fund, Songdo, <https://www.greenclimate.fund/news/plugging-finance-gap-caribbean>.

- **Economic Resilience & Diversification (Principle 4):** The blue economy is a natural diversification pathway: expanding into aquaculture, marine biotechnology, and renewable energy while upgrading traditional fisheries through value-added processing and MSME integration into global supply chains.
- **Alignment with Climate, Developmental & Environmental Goals (Principle 5):** Marine ecosystems provide natural defences against storms and sea-level rise. Restoring mangroves, seagrass beds, and coral reefs contributes to adaptation, biodiversity protection, and carbon sequestration. Embedding these practices into national NDCs and regional trade strategies ensures climate and development goals are mutually reinforcing.
- **Investment & Financing for the Green Transition (Principle 6):** Mobilizing finance is critical. CARICOM must leverage international funds, such as the GCF, while also ensuring effective access to the WTO's Fisheries Subsidies Agreement support mechanisms, which provide technical assistance and a dedicated fund for developing members. Trade facilitation measures can further reduce costs for MSMEs in blue value chains, unlocking regional and global market opportunities.

#### Trade Considerations

From a trade perspective, the WTO Agreement on Fisheries Subsidies (2022) provides an entry point for aligning environmental sustainability with equitable development. By curbing harmful subsidies while offering grace periods and technical support for developing economies, it creates both obligations and opportunities for CARICOM. At the same time, the WTO Trade Facilitation Agreement can help MSMEs reduce costs and expand participation in international markets, strengthening the region's integration into the global ocean economy.

## 6.7 Waste and Circular Economy

The waste sector, currently the fourth largest global GHG emitter, offers one of the most under-utilized but high-potential *alternative pathways* for CARICOM's Just Transition. While waste management in the region has traditionally been treated as a problem to be contained, the circular economy reframes it as an engine for trade diversification, green job creation, and climate resilience.<sup>115</sup>

The urgency is evident. On average, a person in a SIDS generates 2.3 kilogrammes of municipal solid waste per day, which is 48% higher than the global average.<sup>116</sup> In the Caribbean alone, 13 million tonnes of solid waste is produced every year,<sup>117</sup> and plastics account for 12.4% of municipal waste.<sup>118</sup> The World Bank has indicated that the amount of plastics on Caribbean beaches far exceeds the global average, with 2,014 items per kilometre compared to 573 per kilometre worldwide.<sup>119</sup> Without intervention, the economic and ecological costs will continue to rise, undermining both tourism and food security.

Repositioning waste within CARICOM's trade agenda requires applying the Just Transition principles:

- **Effective Governance & Policy Coherence (Principle 2):** A regional approach is vital. CARICOM must harmonize definitions, standards, and regulations on waste and circular products to reduce non-tariff barriers and encourage private sector investment. Without coherence, fragmented national approaches will limit economies of scale and keep the region on the periphery of circular economy trade.

115 Schröder P, *The Inclusive Circular Economy: An Analysis of 114 Definitions* (2020) [https://edisciplinas.usp.br/pluginfile.php/7792252/mod\\_resource/content/1/2020-04-01-inclusive-circular-economy-schroder.pdf](https://edisciplinas.usp.br/pluginfile.php/7792252/mod_resource/content/1/2020-04-01-inclusive-circular-economy-schroder.pdf) accessed 16 November 2024.

116 Kate Hughes and Miguel Rescalvo, *Just Transition Beyond the Energy Sector* (ADB Briefs No. 195, November 2021) <https://www.adb.org/sites/default/files/publication/746406/adb-brief-195-just-transition-beyond-energy-sector.pdf>, 7.

117 AFD (2023), *Plagued by plastic, Caribbean countries team up with partners to forge a greener future*, Agence Française de Développement, <https://www.afd.fr/en/actualites/plagued-plasticcaribbean-countries-team-partners-forge-greener-future>.

118 Brooks et al. (2020), *Plastic Waste Management and Leakage in Latin America and the Caribbean*, Inter-American Development Bank, <https://doi.org/10.18235/0002873>.

119 World Bank, 'Addressing Marine Plastics in Latin America and the Caribbean' (World Bank, 2024) <https://www.bancomundial.org/es/region/lac/brief/addressing-marine-plastics-in-latin-america-and-the-caribbean> accessed 6 December 2024.



- **Economic Resilience & Diversification (Principle 4):** Circular economy industries repair, recycling, remanufacturing, and “product-as-a-service” models can generate high quality jobs while reducing dependence on imports. The ILO projects a net gain of six million circular jobs globally by 2030, concentrated in waste, repair, and services.<sup>120</sup> CARICOM could tap into this by scaling regional hubs for material recovery and reuse, supported by MSME integration into global circular value chains.
- **Investment & Financing for the Green Transition (Principle 6):** Significant upfront investment is needed to formalize the currently informal recycling sector, build regional infrastructure, and expand access to circular technologies. CARICOM should leverage trade agreements to lower tariffs on recycling equipment, incentivize private investment through tax credits, and partner with the EU on technology transfer, particularly as EU circular standards emerge as global benchmarks.

### Trade Considerations

From a trade perspective, the circular economy is increasingly shaping global markets. The number of circular economy-related measures reported to the WTO doubled between 2012–16 and 2017–21, targeting plastics, electronics, vehicles, and biofuels. Negotiations on a legally binding plastics treaty, alongside Basel Convention controls, will affect Caribbean exporters and importers alike. For CARICOM, early engagement in these processes is essential, both to defend its interests and to identify opportunities for preferential treatment as a group of small and climate-vulnerable economies.

At present, CARICOM’s participation in global waste trade is minimal, limited largely to mineral and metal scraps. Notwithstanding this, strategic investment and policy support could leapfrog the region into circular economy industries, from urban mining and plastic recycling to the export of certified refurbished goods. Done well, this would reduce GHG emissions, enhance food and tourism sustainability, and position the Caribbean as a credible player in emerging circular global value chains.

## 6.8 Creative and Cultural Industries (Orange Economy)

Creative and cultural industries represent a primarily *alternative pathway* for CARICOM in the Just Transition. Between 2002 and 2020, the global market for cultural and creative goods experienced significant growth, with export values more than doubling to reach \$524 billion by 2020.<sup>121</sup> During the same period, creative services exports were valued at an estimated \$1.1 trillion, driven largely by the expanding digital creative economy. Foreign direct investment in the cultural and creative sectors saw a notable increase, rising by 118% between 2003 and 2021.<sup>122</sup> It is among the most rapidly growing sectors of the world economy, generating nearly 30 million jobs worldwide and employing more people aged 15–29 than any other sector.<sup>123</sup>

The Caribbean’s creative industries are currently underperforming on the global stage, struggling to generate significant revenue even from iconic indigenous art forms like reggae and soca. Notably, the creative industries in the region have untapped potential to help offset the decline in export earnings experienced by traditional sectors due to shifts caused by the Just Transition. Currently, creative industries contribute around 5% to the region’s GDP and employ, on average, 3% of the region’s workforce.<sup>124</sup>

120 World Bank, ‘Addressing Marine Plastics in Latin America and the Caribbean’ (World Bank, 2024) <https://www.bancomundial.org/es/region/lac/brief/addressing-marine-plastics-in-latin-america-and-the-caribbean> accessed 6 December 2024, p. 8.

121 UNCTAD (2022), *Creative Economy Outlook 2022*, United Nations Publications, <https://unctad.org/system/files/official-document/ditctsc2022d1-en.pdf>.

122 OECD (2023), “Leveraging cultural and creative sectors for development in the European Union outermost regions”, *OECD Local Economic and Employment Development (LEED) Papers*, No. 2023/21, OECD Publishing, Paris, <https://doi.org/10.1787/950f214a-en>.

123 UNESCO, ‘Cutting-Edge Creative Economy: Moving from the Sidelines’ (UNESCO, 2023) <https://www.unesco.org/en/articles/cutting-edge-creative-economy-moving-sidelines> accessed 20 November 2024.

124 Bauer, B. (2023), *Conectando los recursos culturales y creativos del Caribe para crear oportunidades de desarrollo turístico*, <https://articles.unesco.org>.

For CARICOM, the orange economy provides a unique opportunity to offset declining revenues from carbon-intensive sectors while promoting cultural heritage, inclusivity, and low-carbon growth. Its expansion into music, film, art, digital content, and other creative services aligns strongly with the principles of the Just Transition:

- **Social Justice & Equity (Principle 1):** Creative work is often precarious, with many artists operating informally without social protection or stable income. A Just Transition requires extending labour protections, intellectual property rights, and social safety nets to creative workers, ensuring that women, youth, and marginalized communities share in the benefits of the industry's growth. This means strengthening awareness campaigns on intellectual property protection and contract negotiation, expanding affordable access to legal and financial advisory services, and incentivizing the formalization of creative enterprises.
- **Effective Governance & Policy Coherence (Principle 2):** Governments can play a catalytic role by funding festivals, cultural hubs, and training programmes, and by embedding cultural industries into export and trade promotion strategies. Public procurement, grants, and tax incentives should prioritize inclusive participation, while regional cooperation under CARICOM can help creators access wider markets and negotiate fairer digital trade rules.
- **Inclusive Participation & Stakeholder Engagement (Principle 3):** Musicians, filmmakers, artisans, digital entrepreneurs, and community-based organizations must be included at all levels of policy design. Mechanisms for collective bargaining and social dialogue could help address the inequities that currently see global corporations capturing disproportionate value from Caribbean cultural products. Stakeholders must also be empowered through capacity building to meaningfully participate in the policy design process.
- **Economic Resilience & Diversification (Principle 4):** The orange economy diversifies exports away from vulnerable fossil fuel and tourism dependence, positioning services trade and digital delivery as new growth drivers. With services trade expanding at an annual rate of 6.8% since 1990 and digitally delivered services growing at 8.2% annually since 2005,<sup>125</sup> the region has significant opportunities to harness sectors such as music, art, film, and digital content creation.
- **Alignment with Climate, Developmental and Environmental Goals (Principle 5):** Unlike carbon-intensive industries, the orange economy is inherently low-carbon. Promoting cultural and digital exports aligns with climate commitments while preserving biodiversity and cultural heritage. Embedding eco-design standards, sustainable fashion practices, and green production in film and events further strengthens this alignment. The EU can be looked upon in providing an example. The European Green Deal, which aims to transform the EU into a climate-neutral region by 2050, emphasizes the crucial role of including the cultural sector in the systematic and targeted efforts required to achieve this goal.<sup>126</sup>

### Trade Considerations

From a trade perspective, the orange economy's promise depends on greater liberalization of trade in services. CARICOM must prioritize market access in negotiations by reducing visa and regulatory barriers for service providers, while strengthening intellectual property protections to ensure fair compensation for creatives. Digital trade is equally critical as it enables Caribbean creatives to deliver services online can generate new employment, expand exports, and embed the region in global digital value chains.

[org/sites/default/files/medias/fichiers/2023/11/ES\\_Caribbean%20Cultural%20Resources.pdf](https://org/sites/default/files/medias/fichiers/2023/11/ES_Caribbean%20Cultural%20Resources.pdf).

125 World Trade Organization, *World Trade Report 2024: Trade and Inclusiveness – How to Make Trade Work for All* (WTO 2024) [https://www.wto.org/english/res\\_e/booksp\\_e/wtr24\\_e/wtr24\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/wtr24_e/wtr24_e.pdf) accessed 20 November 2024.

126 European Commission, *Culture & Creative Sectors & Industries Driving Green Transition and Facing the Energy Crisis: Brainstorming Report* (September 2023) [https://ec.europa.eu/assets/eac/culture/docs/voices-of-culture/voices-of-culture-brainstorming-report-green-transition-2023\\_en.pdf](https://ec.europa.eu/assets/eac/culture/docs/voices-of-culture/voices-of-culture-brainstorming-report-green-transition-2023_en.pdf) accessed 20 November 2024, 12.

**Table 2. Applying the Six Just Transition Principles to CARICOM Sectors: Summary and Key Recommendations**

Principles	Key Sectors	Proposed Action
1. Social Justice & Equity	Energy, Tourism, Agriculture, Fisheries, Orange Economy	<ul style="list-style-type: none"> <li>Retrain fossil fuel and vulnerable workers and provide income support; extend social protection, intellectual property rights, and formal recognition to precarious and gig workers in tourism and creative industries; target women, youth, and rural households with stipends for retraining, and safety nets to prevent widening inequalities.</li> <li>Development of local ownership models, where communities have a stake in new projects and profits are reinvested in community-led education, energy access, healthcare and social support. This also encourages stakeholder buy-in and meaningful participation.</li> </ul>
2. Effective Governance & Policy Coherence	Energy, Transport, Waste, All	<ul style="list-style-type: none"> <li>Develop national Just Transition entities such as a Just Transitions Planning Commission comprising representatives of key ministries and stakeholders. These national entities would feed into a regional mechanism under one of the CARICOM organs/bodies to ensure regional coordination and alignment of regional priorities.</li> <li>Harmonize renewable energy regulation and grid codes; embed recycling and transport upgrades into trade and industrial policies; strengthen monitoring and accountability frameworks to avoid fragmented donor-driven projects.</li> <li>Strengthen monitoring and evaluation systems underpinned by robust labour market data collection to track progress, assess social and economic impacts, and identify at-risk sectors, communities, and groups in order to guide timely policy adjustments.</li> <li>Supporting continued investment in internal and external research on new and emerging opportunities and jobs in the green sector and data developments to improve understanding of current and future labour market conditions.</li> <li>Leverage the CARICOM Council for Human and Social Development (COHSOD) to align labour, education, and social policies across the region, and expand the Caribbean Vocational Qualification framework to ensure training and certification systems respond to emerging green jobs and support labour mobility under the CSME.</li> </ul>
3. Inclusive Participation & Stakeholder Engagement	Tourism, Fisheries, Orange Economy, Agriculture	<ul style="list-style-type: none"> <li>Institutionalize continuous social dialogue across all stages of the transition. Involve unions, MSMEs, fishers' cooperatives, cultural networks, and farmers' associations, academia/research institutions and civil society in policy design.</li> <li>Allocate resources (translation, outreach, stipends) to make engagement accessible and prevent elite capture.</li> <li>Build awareness and capacity by tailoring Just Transition concepts to local contexts, translating literature into local languages,<sup>127</sup> convening dialogues, and sharing lessons across CARICOM member states to strengthen regional learning.</li> </ul>
4. Economic Resilience & Diversification*	Energy, Tourism, Agriculture, Forestry, Blue Economy, Orange Economy	<ul style="list-style-type: none"> <li>Channel fossil rents into green hydrogen, low-carbon manufacturing, and services.</li> <li>Expand eco- and heritage-based tourism; invest in agro-processing, climate-smart agriculture, and certified forestry; scale aquaculture and marine biotech; promote digital creative exports; use green public procurement to stimulate early demand and nurture new export niches.</li> </ul>
5. Alignment with Climate, Developmental, and Environmental goals	Transport, Waste, Orange Economy, All	<ul style="list-style-type: none"> <li>Embed sectoral roadmaps in NDCs, LT-LEDS, and SDGs; develop indicators that track social, economic, and environmental outcomes; advance green shipping corridors and aviation efficiency to cut emissions while boosting competitiveness; pursue circular economy in waste to reduce imports.</li> <li>Strengthen public awareness and education campaigns on climate change and the Just Transition, highlighting both the risks of inaction and the opportunities for new livelihoods.</li> </ul>
6. Investment & Financing for the Green Transition	Energy, Tourism, Agriculture, Fisheries, Orange Economy	<ul style="list-style-type: none"> <li>Close the region's multi-billion-dollar investment gap by bundling projects (energy, ports, tourism retrofits) for scale; systematically access concessional climate finance (GCF, Aid for Trade); mobilize sovereign green bonds, blended finance, and debt-for-climate swaps; ensure financing extends beyond infrastructure to fund retraining, social protection, and MSME participation.</li> </ul>

Source: Author's elaboration.

127 Atteridge A, Hunjan N, Lestari T et al, *Exploring Just Transition in the Global South* (Climate Strategies 2022) [https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South\\_FINAL.pdf](https://climatestrategies.org/wp-content/uploads/2022/05/Exploring-Just-Transition-in-the-Global-South_FINAL.pdf), 4.

## 6.9 Monitoring and Evaluation and Research: A Cross-Cutting Policy Area for the Just Transition Framework

Effective monitoring and evaluation (M&E) is central to translating Just Transition commitments into measurable progress. For CARICOM, where fiscal space is limited and trade competitiveness depends on meeting environmental and labour standards, M&E serves three critical functions: tracking alignment with climate and development goals, demonstrating accountability to citizens and partners, and informing adaptive policy adjustments.

A regional M&E system should map indicators directly to Just Transition principles, for example:

- **Equity & Inclusion:** (i) share of women, youth, and persons from rural communities in green jobs, (ii) number of MSMEs and small producers granted climate funding to grow and develop climate-friendly products and services or participate in climate-smart agriculture.
- **Environmental Integrity:** sectoral GHG reductions aligned with NDCs.
- **Skills & Diversification:** workers retrained and employed in climate-resilient sectors.
- **Social Protection:** coverage of unemployment, relocation, and pension schemes.
- **Investment Transparency:** proportion of green investments tied to benchmarks.

Sector-specific metrics can sharpen this framework, such as renewable energy penetration in energy, certification rates in tourism, uptake of climate-smart practices in agriculture and fisheries, and low-carbon exports in creative industries.<sup>128</sup>

To operationalize the framework, CARICOM will need baseline mapping, harmonized regional indicators, and disaggregated data systems supported by partnerships with statistical offices, trade agencies, academia, and the private sector. Special attention is needed for high-informality sectors: targeted research and local engagement with associations, cooperatives, and community leaders can help capture hidden economic linkages (e.g. informal vendors dependent on formal industries such as agriculture, FOLU, or tourism).<sup>129</sup> Without this, transition policies risk displacing workers into deeper informality rather than building resilience.

Linking M&E to financing and trade is equally vital as robust data can unlock climate finance, direct domestic budget allocations, and verify compliance with sustainability clauses in trade agreements.

Finally, M&E must operate as a feedback loop, with annual public reports, policy review cycles, and stakeholder dialogues ensuring transparency, trust, and iterative improvement of the transition.

<sup>128</sup> The Belize skills roadmap, developed with Inter-American Development Bank (IDB) support, illustrates how regional data can guide labour market adaptation in sustainable sectors. See OECD, 'Is Green Talent the New Oil? Latin America and the Caribbean Are Betting on Skills' (12 August 2024) <https://oecdcoito.blog/2024/08/12/is-green-talent-the-new-oil-latin-america-and-the-caribbean-are-betting-on-skills/> accessed 27 November 2024.

<sup>129</sup> Climate Strategies, *Just Transition Planning Masterclass Summary Report* (Climate Strategies 2024) <https://climatestrategies.org/wp-content/uploads/2024/12/Just-Transition-Planning-Masterclass-Summary-Report.pdf>, 9.

## 7. Conclusion and Takeaways

CARICOM's Just Transition must be understood not merely as a response to fossil fuel decline, but as a strategic transformation of economies, societies and global systems to thrive in a climate-constrained world. While global Just Transition discourse often centres on protecting workers in coal, oil, or gas sectors, CARICOM's reality is broader: climate change is already eroding livelihoods across agriculture, tourism, fisheries, forestry and emerging services sectors. This demands a model of Just Transition that is multi-sectoral, trade-aware, and equity-driven,<sup>130</sup> grounded in the six guiding principles: social justice and equity, effective governance and policy coherence, inclusive participation and stakeholder engagement, economic resilience and diversification, alignment with developmental, climate, and environmental goals, and investment and financing for the green transition.

Taken together, the sectoral analyses outlined above reveal seven enabling conditions for a successful CARICOM Just Transition:

1. **Social Justice & Equity** – Establish national Just Transition Planning Commissions to co-design sectoral roadmaps with communities, workers, and employers, ensuring social protection, retraining, and targeted support for women, youth, and rural households. A region-wide programme for reskilling, upskilling, and digital literacy should be prioritized, targeting renewable energy technicians, sustainable tourism operators, climate-smart farmers, and digital creatives. The Caribbean Vocational Qualification (CVQ) framework must be expanded to align training with emerging green sectors and facilitate labour mobility under the CSME. Promote local ownership models so that profits from new sectors are reinvested in education, health, and community well-being.
2. **Effective Governance & Policy Coherence** – Create a regional Just Transition mechanism under an existing CARICOM organ to harmonize climate, trade, and industrial policies. Align these with NDCs, long-term strategies, and the CSME framework, ensuring consistency across energy, labour, education, and social protection systems. Robust monitoring and labour market data collection should guide policy adjustments.
3. **Inclusive Participation & Stakeholder Engagement** – Institutionalize continuous social dialogue across all stages of policymaking. Provide resources and training for MSMEs, unions, fisherfolk, farmers, cultural networks, and civil society to participate meaningfully, avoiding elite capture and ensuring that transition plans reflect grassroots realities.
4. **Economic Resilience & Diversification** – Use trade as a lever to reduce dependence on vulnerable exports and build new industries. Trade agreements and WTO initiatives should be evaluated and used to expand market access for sustainable goods and services, while safeguarding CARICOM's development policy space. Ensure EPA implementation, CBAM negotiations, and emerging digital trade standards account for small economy vulnerabilities. Prioritize investment in renewable energy, green hydrogen, sustainable agro-processing, eco- and heritage-based tourism, aquaculture, marine biotech, and digital creative exports. Green public procurement can stimulate early demand and nurture regional value chains.
5. **Alignment with Climate, Development, and Environmental Goals** – Ensure Just Transition roadmaps are embedded in national climate strategies and SDG commitments, with trade policies reinforcing, not

<sup>130</sup> Charlotte Morgan, Isabelle Carter, Helen Tilley, Tom Haines-Doran, and Emma Taylor-Collins, *International Approaches to a Just Transition* (Wales Centre for Public Policy, December 2022), 26.



undermining, low-carbon transport, waste reduction, and circular economy practices. Advance green shipping and aviation corridors to maintain competitiveness while cutting emissions.

- 6. Investment & Financing for the Green Transition** – Mobilize concessional finance, climate funds, blended finance, and debt-for-climate swaps not only for infrastructure but also for reskilling, social protection, and MSME participation in green value chains. Bundling regional projects (energy grids, tourism retrofits, ports) will enhance scale and bargaining power.
- 7. Research-led, Monitoring, Evaluation, and Adaptive Policy** – Track social, economic, and environmental outcomes of transitions. Develop indicators to monitor job losses and gains, trade competitiveness, and community resilience, ensuring early policy interventions where risks emerge.

Ultimately, the Caribbean's Just Transition is not a single-sector shift but a regional transformation strategy, one that builds resilience, enhances competitiveness, and reinforces the Caribbean's voice in global climate and trade governance. The choice is not between climate action and economic security; rather, the task is to design a transition that delivers both, with trade serving as a central instrument of success.



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