

Context

The implementation of a just transition beyond fossil fuels requires a coordinated global effort among governments, businesses, international organizations, civil society, and local communities. Although, significant institutional, regulatory, and international governance barriers persist, limiting the effective implementation of an energy transition in a just and inclusive manner.

One of the main barriers is the absence of binding international human rights due diligence frameworks applicable to the specific context of the energy transition. While relevant international standards exist, such as the United Nations Guiding Principles on Business and Human Rights, these are primarily voluntary in nature and lack binding enforcement mechanisms.

This regulatory gap is particularly relevant in the context of the energy transition, which is generating new investment dynamics, expanding global supply chains, and increasing demand for critical minerals, especially in regions such as Latin America.

In the case of Peru, for example, foreign-owned companies do not necessarily apply the same environmental and social standards that govern their operations in their countries of origin. In the absence of mandatory international due diligence mechanisms, there is a risk that the expansion of investments linked to the energy transition may increase socio-environmental conflicts and exacerbate existing inequalities. In fact, a proposal to regulate corporate due diligence was introduced in 2024 through Bill No. 06940-2023/CR, which has not yet been debated. Furthermore, strategic sectors such as mining lack updated regulations to ensure fair mining practices; for instance, the regulation on citizen participation dates back to 2008. All these factors place Peru in a vulnerable position in the context of the energy transition.

Next steps and proposal

The proposed solution consists of incorporating an international human rights due diligence framework within an international treaty on just transition, with the aim of guiding, coordinating, and overseeing the conduct of the various actors involved in the energy transition.

Based on the United Nations Guiding Principles on Business and Human Rights, due diligence constitutes a key mechanism to identify, prevent, mitigate, and remedy adverse human rights impacts associated with business activities and their supply chains.

However, in the current context of the energy transition—characterized by rapid technological change, accelerated shifts in energy supply and demand, and evolving geopolitical dynamics—it is necessary to strengthen these standards

through an international instrument that establishes binding obligations and enforcement mechanisms applicable to domestic and transnational companies, governments at all levels, and financial and private banking sectors.

In this regard, the proposed treaty should include specific provisions on human rights due diligence applicable to sectors linked to the energy transition, as well as international coordination mechanisms to:

- establish global standards;
- provide regulatory frameworks applicable to both home and host countries;
- strengthen monitoring, transparency, and accountability systems;
- promote international cooperation to build institutional capacities in developing countries.
- establish an oversee committee to monitor, support, review compliance with the treaty's provisions and formulate recommendations to both the receptive country and the company's origin country.

Furthermore, the energy transition should be understood as a common but differentiated responsibility, taking into account the economic, social, and institutional realities of each region. In Latin America, for example, the increasing global demand for critical minerals raises significant challenges related to sustainability, natural resource governance, and respect for human rights, particularly in contexts where institutional and regulatory gaps persist.

Finally, the absence of specific international commitments—beyond Nationally Determined Contributions (NDCs)—to ensure the implementation of due diligence standards demonstrates that a just energy transition still relies largely on voluntary initiatives. Establishing a binding international human rights due diligence framework for the energy transition would enable progress toward fair, equitable, and progressive governance.