

Compilation of concrete examples on country-driven strategies and best practices on just transition of the work force and creation of decent work and quality jobs and on economic diversification and transformation

6th Meeting of KCI
2 – 3 June 2022



Outline of the Compilation of concrete examples

Contents

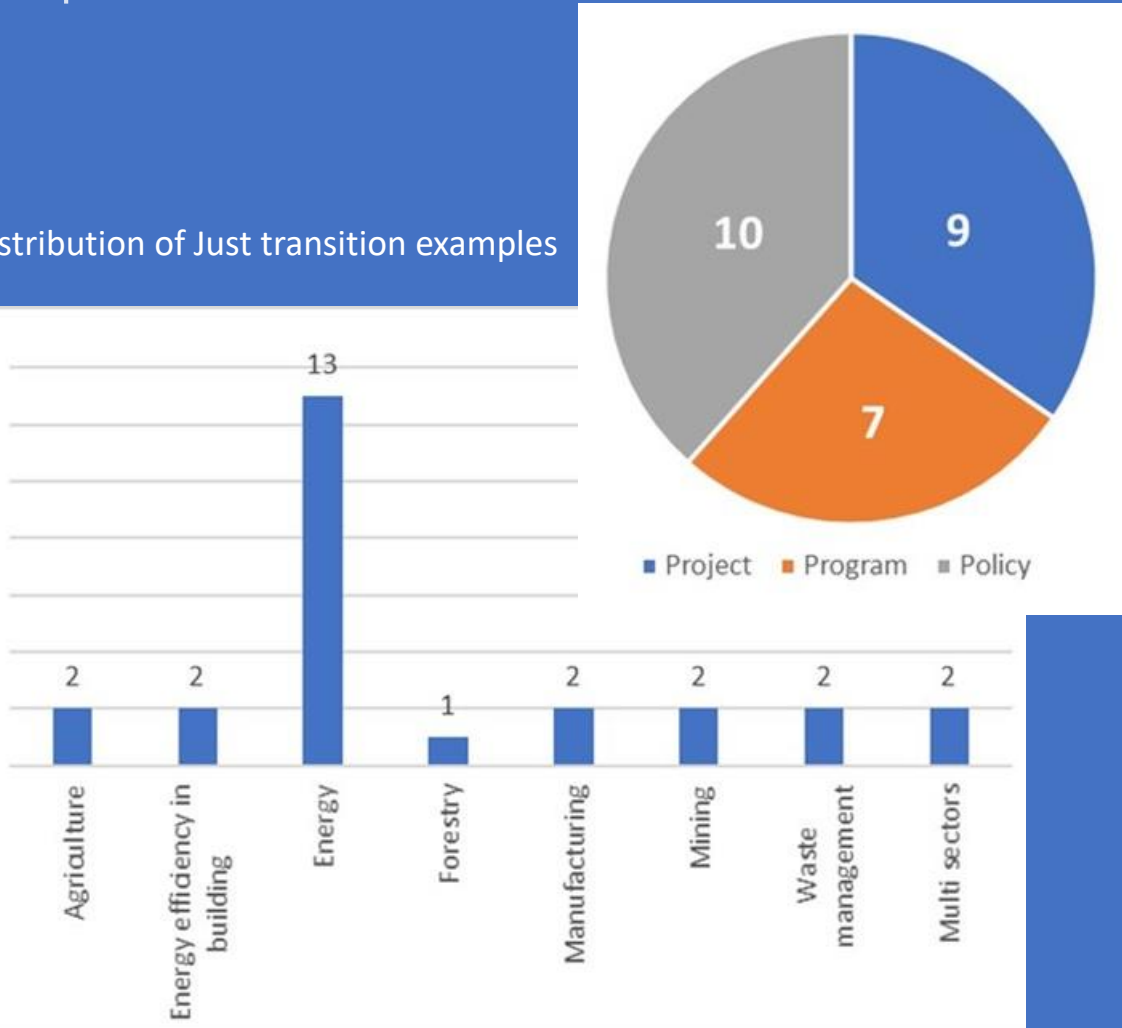
1 Introduction and mapping of concrete examples.....
2 Concrete examples of country-driven strategies and best practices on just transition of the work force and creation of decent work and quality jobs
3 Concrete examples of country-driven strategies and best practices on economic diversification and transformation
4 Synthesis of country-driven strategies and best practices
5 Conclusions and recommendations
6 References
7 Acknowledgement.....

Annexures

- 1. Concrete examples of Just Transition of workforce and creation of decent work and quality jobs.....
2. Concrete examples of economic diversification and transformation

Introduction and Mapping

Distribution of Just transition examples



- Fully based on inputs received from Parties and observers in response to call of inputs
- In total 41 examples from 21 submissions
- Classification based on
 - scope (sector, Policy/program/project, geographical scope),
 - type of challenge;
 - Just transition aspect (gender/skill development)
 - Economic diversification aspect

*Just transition of work
force and creation of
decent work and quality
jobs*

Agriculture (2)

- Transformation of sector from *industrialized agriculture to small farmer-based agroecology* and *agroforestry for climate resilient farming*
- Reducing GHG emissions due to reduced chemicals input for food production

Energy efficiency in building (2)

- Transforming construction sector by enabling environment for improving buildings' energy efficiency and resilience.
- PEEB Cool program supporting low-carbon development strategies in 18 participating countries that have hot and Mediterranean climates.

Energy (13)

- Trade union support to workers when government plans to increase private sector investment to increase RE generation in Philippines.
- Career development of experts in power sector when government is planning to increase RE generation in Indonesia.
- new employment opportunities for local people by increased installations of solar technologies

Policies and their characteristics 1/3)

Mining (2)

- **managing closure of coal mine included**
 - *ways to support workers, companies and communities affected by transition;*
 - *elaborated challenges of managing closure of coal mines and*
 - *shared experience of developing govt strategy for JT of coal mines.*
- **responsible sourcing of minerals and its effective recycling, with more RE equipment being produced**

Forestry (1)

- social entrepreneurship by involving people in tree nursery, beekeeping and transformed by-products in Cameroon.
- Project demonstrates role of grassroots women, including indigenous and ethnic women as workers and entrepreneurs.

Waste management (2)

- Managing livelihoods of waste pickers, women empowerment, training community leaders, developing neighborhoods committees.
- Training on natural resource management, gender inequalities, local public policies, and citizen's initiatives led beneficiaries to get empowered, exercise their democratic rights, protect their environment and cultural heritage

Policies and their characteristics 3/3)

Manufacturing (2)

- **Shift away from fast fashion towards more circular business models in Bangladesh**
 - *Increased vulnerability of workers*
 - *resource efficiency initiatives and trade unions negotiated their social protection.*
- **'reduce steel industry's emissions by replacing coking coal with hydrogen** produced via electrolysis using RE power and water (HYBRIT, joint green industry transformation initiative, for fossil-fuel free steel production).

Multi sectors (2)

- region's **shift from oil and gas based economy to low emissions**
 - Appointment of just transmission commissioner/unit with role to:
 - manage trade and broker relation in affected regions
 - encourage transformation towards just, equitable and inclusive green economy
 - building relationships with affected communities
- **Ecological Transition Contract/Partnership program between State and local communities**
 - aims to help develop local projects to diversify local economy for sustainability and environmentally responsible development.

*Key considerations
from the concrete
examples*

- a) **Involvement of trade unions** in social dialogue helps **collective bargaining** with affected communities to have smoother just transition.
- b) Energy cooperatives play important role in supporting national governments to increase public acceptance of energy transition, enhancing energy security and providing opportunities for local economic growth.
- c) inclusion of new key competencies through expertise management strategy can help overcome technical challenges
- d) Training women technicians to assemble, install, operate and maintain solar equipment (lights, refrigerators, freezers) helps secure decent jobs on small islands.
- e) Multi-year research policy program to explore options of incorporating JT strategies into climate policies is needed to provide evidence and insights.
- f) Development of just transition strategy including new instruments for transition agreement that is fair for affected communities or territories
- g) Establishment of dedicated institute for JT for technical, financial, legal assistance
- h) Establishment of national just transition fund for supporting innovative and employment generation projects to facilitate smooth just transition

*Impacts of
identified strategy
..... 1/2*

- Limited information on impacts – early stage
 - **Use of solar technologies** - women's education, health and empowerment; reducing workload of firewood collection
 - Use of **energy efficiency** technologies in construction sector - has direct and indirect impact on millions of people, their jobs and lifestyle.
 - **Shift from industrial agriculture to agroecology** - provides opportunity to smaller farmers to retain more income; grow local rural economy ; helps government relocate budget from subsidies on chemical fertilizers to provide support on adaptation, training, extension services
 - ***Building energy efficiency program*** - contributed supporting local employment and impacted many in terms of thermal comfort,
 - ***energy-efficient building renovations*** - support programs helped create local quality jobs, helped low-income families reducing heating bills.

Impacts of identified strategy 2/2

- Impact of different JT strategies
 - **Cooperative structures** - encourage strong commitment ; reduce mistrust in authorities and national office in order to support activities in just transition in developing countries.
 - **Social protection** - supported large number of workers in SME supply chain
 - **Gender-just transition** - advanced women rights in agriculture
 - **Multi-year research policy program** - inclusion of JT in revised NDC and LTLEDS.
 - **Diverse projects** - new enterprise hubs, support to local business development, research/ exploratory studies, tourism/ heritage projects, reskilling opportunities
 - **Incentives for provinces to reward early investment in wind and solar power schemes** – benefited low-income communities
 - **Ecological Transition Contract/Partnership** – Promoted local development, in 107 territories for various sectors

Challenges, opportunities and stakeholder involvement

Mostly related to implementation of projects or policy

Limited challenges to integrate or implement a just transition policy

- Patriarchal norms, gender stereotypes and monopolistic male-dominated industry
- lack of organizational support hindering women empowerment.
- Landlessness, insecure access and control over land,
- lack of recognition of communal land tenure present major barriers to social justice.
- Lack of stakeholder engagement due to different priorities and lack of interlinkages and coordination among relevant actors.
- Lack of expertise and new competencies crucial to build institutional capacity and arrangement

Lessons learned *.... 1/3*

Integration and implementation of policies

- no 'one size fits all' approach - JT strategy must be tailored to and defined by each individual country.
- JT should not exacerbate inequalities and must be undertaken in a way that supports affected workers.
- Rushed approaches have high risk of backfiring; causing more harm than benefits.
- Just transition enabling policies need to be integrated into national climate policies-proposals, NDCs and NAPs and GCF proposals
- Planned regulatory framework needed for effective on ground implementation.
- Social protection and creation of decent work are important building blocks of JT
- Technical and financial assistance crucial for developing countries to overcome barriers to enhancing RE share to achieve targets to be on carbon neutrality plan.
- A peer-to-peer learning and exchanges on just transition could be valuable for state-owned energy companies, including their trade unions, as they are at different stage

Lessons learned *.... 2/3*

Women empowerment

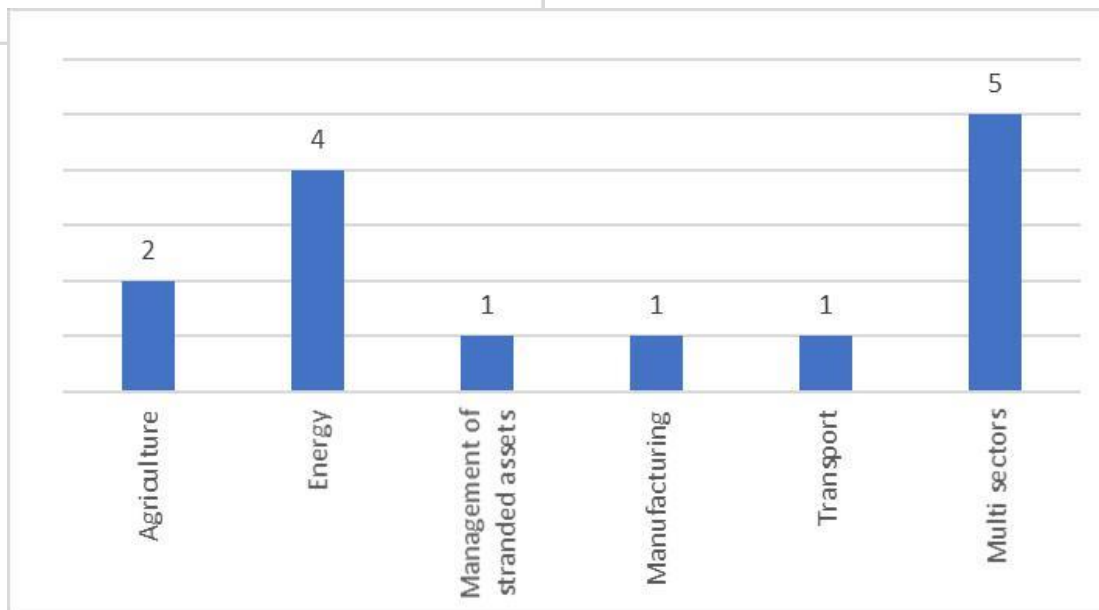
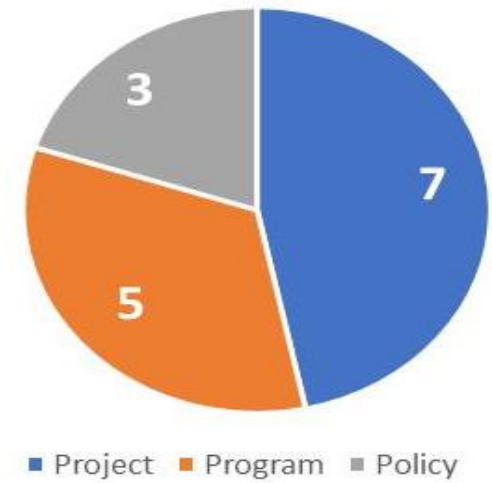
- Grassroots women, including indigenous and ethnic women, play an important role as workers and entrepreneurs, particularly in rural economy.
- Gender-just energy cooperatives guarantee women and men equal voice in development of RE production.
- Women in productive cooperatives are empowered through control over entire value chain due to new skills
- Training-of-Trainers concept, whereby women are taking on leadership roles, increases their understanding and control over production and income generation
- Through awareness raising, capacity building, moral and financial support, women contribute to building peaceful livelihoods for their families and their communities.
- Key strategy for enabling transitions to sustainable land management approaches is to improve land tenure and access, particularly for women.

Lessons learned *.... 3/3*

Skills development

- Focus on skills development within JT discussions and initiatives often limited to reskilling coal miners to help them find alternative employment.
- JT more broadly require significant decarbonization across entire economy, which in turn will open up wide range of new employment and livelihood opportunities
- Key component of just transitions is to anticipate new skills requirements across entire sectors and put in place institutions and curricula needed to support development of existing and emerging skills needs.

Economic diversification and transformation



Mapping of concrete examples

- promoting conducive environment in the form of policies, incentives and soft infrastructures needed for economic diversification,
- promoting new low carbon, cleaner and efficient technologies and process,
- encouraging collaborative initiatives and accelerating processes for green technologies

Concrete examples provide multiple paths for economic diversification.

- *For countries at very low levels of economic development, priority is to get fundamentals right.*
- *As countries develop, multiple diversification paths become available.*

*Economic
diversification and
transformation*

Policies and their
characteristics 1/2

Agriculture (2)

- Both examples aimed to adapt to vulnerability caused by climate change like droughts, floods, landslide, ground water scarcity
- resulted in new source of income for community specifically women by, for examples, promoting sustainable agriculture practices, adoption of solar home systems and tree planting, adopting aquaponics models.

Energy (4)

- Variety of programs and projects aim to increase renewable energy capacity, retiring diesel power plants, accelerate implementation of solar technologies by financing schemes, installation of smart energy meters.

Manufacturing

- Program to build world's greenest battery

*Economic
diversification and
transformation*

**Policies and their
characteristics 2/2**

Management of stranded assets (1)

- Use of existing infrastructure
 - how port was transformed into leading hub for offshore wind after political decision to end oil and gas production.
 - how shipyard was transformed to green industrial parks for wind and renewable energy after announcing its closure.

Transport (1)

- Promoting electric vehicles in small island and government engagement with car dealerships from start; with goal to use them supply electric vehicles throughout country and create business opportunities for charging stations.

Multi sectors (5)

- Policies to develop local projects that diversify local economy for sustainability and environmentally responsible development while reducing GHG emissions.
- Project to provide just and equitable distribution of economic opportunities to SMEs while dealing with climate change and other implemented a policy to expedite processing of **green technology patent applications**.

Economic diversification and transformation

Identified impacts

- In agriculture sector it not only assisted in creating a conducive environment to business but also helped expanding economy to point where it is closer to full reliance on agriculture so far that it is developing services and growing sectors.
- EDPRS emphasizes importance of building multidisciplinary production and export corridor that will include service development, which began to transform **Rwanda** from a subsistence economy to a modern economy. Programs focused on "Three Ps" of people, Prosperity, and Peace helps in extending political relations from business to technological, cultural, and humanitarian cooperation.
- Export markets adds dimension of export diversification with SEZs cost effectively addressing critical identified constraints; providing access to industrial land.
- "Climate Leap" program support regional and local initiatives to reduce GHG emissions have contributed to diversifying and transforming implementing regions viz. installation of charging stations, biogas plants, railway maintenance and energy efficiency projects.
- Transformed Danish ports have substantial service hospitality sector, in addition to most advance local supply chains for offshore wind; it led to circular economy.
- Lindø industry park/Odense Port has successfully transformed from international shipyard to thriving hub in energy, offshore wind and maritime sectors; with objective to promote innovation in offshore renewable energy sector contributing to lowering the Levelized Cost of Energy making offshore renewable energy viable.
- Manufacturing of green batteries in Denmark's Northvolt factory plans to deliver batteries with an 80% lower carbon footprint compared to those made using coal energy.

Economic diversification and transformation

Challenges and Lessons Learnt

Challenges

- Despite achievements of continued growth, poverty remains widespread in developing countries, due to factors like high population density, rural ecosystem and low level of land availability that creates hinderances for economic diversification.
- Lack of clear priorities or framework leads to a lack of strategic planning and implementation; posing risk of re-implementation of existing programs.
- Assessing implications of policy may require an assessment of two factors (i) whether outcome would not have happened in absence of policy and (ii) more important factor is whether outcome could not have been achieved without government.

Lessons learnt

- Transformative change needs close cooperation between private and public actors.
- There is need to develop applications for better spreading of technologies and innovation and avoiding other market failures, spill-over effects to increase gains and authorization frameworks to increase additionality.
- Developing countries needs both technical and financial support from international multi-stakeholders to address three pillars of the energy trilemma: affordability, security, and environmental sustainability

Conclusions and recommendations

Compilation presents range of policies, programs and projects which were implemented with aim to reduce GHG emissions or managing impacts of climate change.

Most of policies are mitigation policies in energy sector and adaptation policies in agriculture sector.

Compilation summaries challenges which are been faced in implementation of these policies ranging from stakeholder engagement, prioritizing policies, technical and financial capacity, etc

In many examples, both just transition, and economic diversification and transformation, strategies resulted in new economic activities for specific communities or women empowerment.

Conclusion and Recommendations

- Invest in early planning of just transition policies which are inclusive and based on stakeholder engagement
- For countries at very low levels of economic development, priority should be to get the fundamentals right; and as countries develop, multiple diversification paths may become available.
- National circumstances of each country is different and peer to peer learning facilitates planning and implementation of effective policies.
- There are very limited examples which showed economy wide integration or implementation of policy; highest level of policy implementation was observed for implementation of policies for solar technologies
- Prepare compilation of selected examples with detailed analysis of lessons learnt
 - *Though compilation contains 41 examples; critical aspects related to just transition and economic diversification and transformation is not covered adequately in detailed in most*
- Consider examples of government led policies which were specifically designed for just transition and economic diversification and transformation.

Thank You