

# Managing the Energy Transition in Trinidad and Tobago – Setting the Policy Framework

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Kishan Kumarsingh

Ministry of Planning and Development

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impacts of the implementation of response measures” for Latin America and  
Caribbean region*

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# Policy Framework

## **International: UNFCCC and the Paris Agreement**

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Informed by the provisions of the UNFCCC and the Paris Agreement

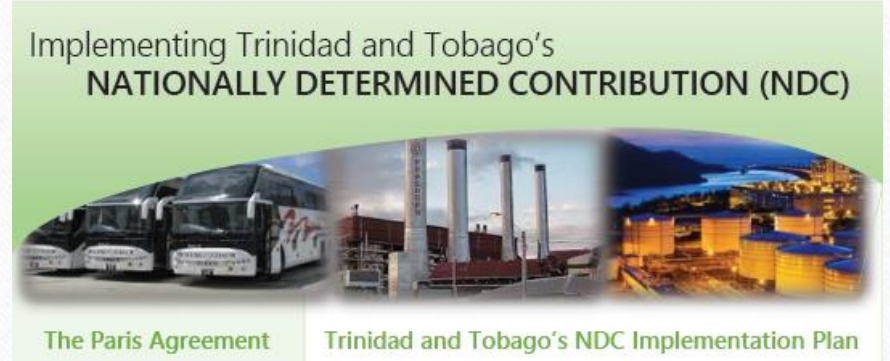
Obligations under the international instruments as well as guided by the SDGs

# Trinidad and Tobago's NDC

Reduction objective in overall cumulative emissions from the three main emitting sectors by 15% by 2030 from Business as Usual (BAU) equivalent to 103 MtCO<sub>2</sub>e

Unconditional reduction in public transportation emissions by 30% or 1.7 MtCO<sub>2</sub>e compared to 2013 levels by December 31, 2030

Estimated cost of implementation is USD \$2 billion which is expected to be met partly through domestic funding and conditional on international climate financing including through the Green Climate Fund



# International: SDGs

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Goal 8 of the Sustainable Development Goals:

*Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.*

# Policy Framework

## **Domestic: National Development Plan**

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The Sustainable Development Plan, Vision 2030, acts as the country's principal strategic planning document and provides an overarching socio-economic development framework to 2030.

It reaffirms its goal to secure a more stable climate future, among other goals.

# Policy Framework

## Domestic: National Climate Change Policy

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The National Climate Change Policy will aim to provide policy guidance for the development of an appropriate administrative and legislative framework, in harmony with other sectoral policies, for the pursuance of a low-carbon development path for Trinidad and Tobago through suitable and relevant strategies and actions to address climate change, including sectoral and cross - sectoral adaptation and mitigation measures. Achieving this objective involves the development and implementation of low emission development strategies.

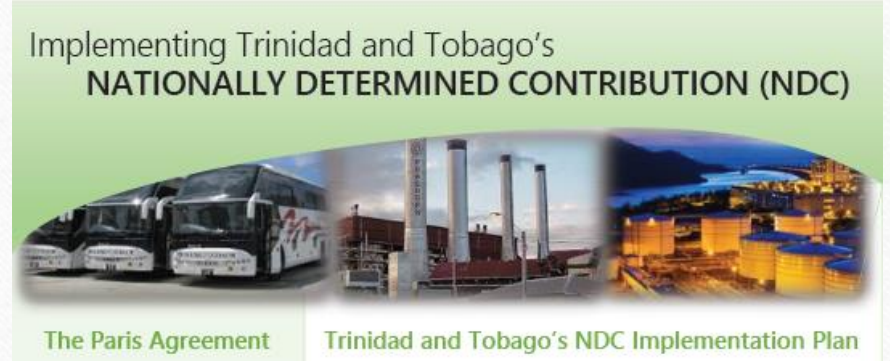
**Note: National Climate Change Policy being updated based on the adopted decisions, MPGS for implementation of the Paris Agreement**

# MRV System

Tracking implementation of the NDC

Tracking implementation of domestic climate policy

Incorporation into legislative framework for mandatory reporting of GHG emissions



# Policy Framework

## Domestic: e-Mobility Policy

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Being finalized subject to technical analyses

The e-Mobility Policy will aim to provide policy guidance for the development for an appropriate enabling environment, in harmony with other sectoral policies, for the uptake of electric vehicle applications in Trinidad and Tobago through suitable and relevant strategies and actions to facilitate a transition away from internal combustion engines (ICE) and toward electric vehicle applications in order to reduce overall GHG emission.

# Policy Framework

## Domestic: Utility Scale Solar

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112 MW utility scale solar plant to be established – largest in Caribbean

Represents approx. 10% with plans to expand to 30% by 2030

# Policy Framework

## **Domestic: e-Mobility Policy**

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Implementation actions already in place to support Policy:

### ***Fiscal:***

Removal of all import duties (effective Jan 2022) on EVs

### ***Institutional:***

Adoption of National Standards for Home-Charging Stations

### ***Administrative/Policy:***

Development of a Feed in Tariff policy for RE

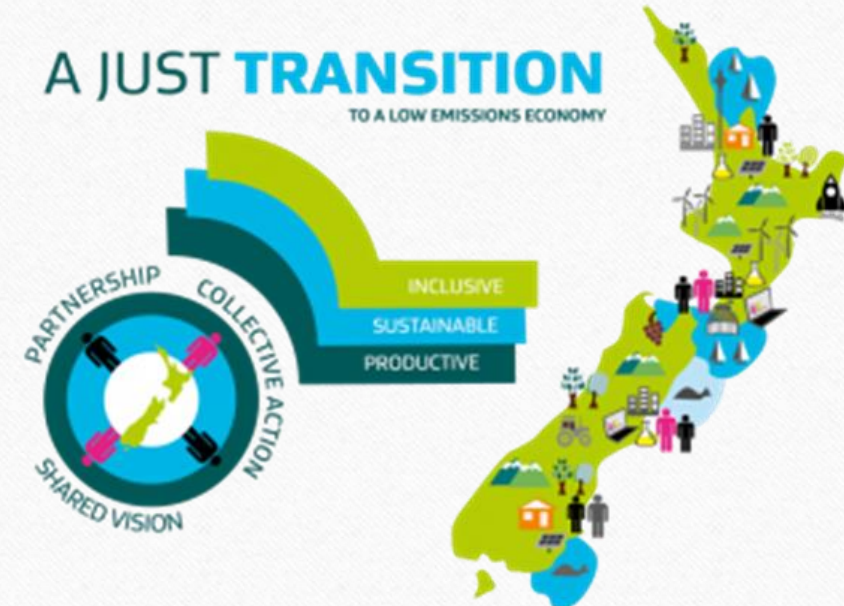
### ***Legislative:***

Amendments to relevant legislation to facilitate implementation

# Policy Framework

## Just Transition of the Workforce Policy

- The Paris Agreement and the subsequent Silesia Declaration call for the “imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities”.
- Guiding policymakers towards achieving the nation's goals of diversifying and transforming the economy.
- Ensuring decent jobs, promote gender equality, support affected and vulnerable workers, and not leave anyone behind.
- Identify where new decent jobs can be created in the low carbon transition and capitalize upon opportunities presented by new industries
- Minimize adverse effects in the transition to a low-carbon economy
- Ensure that the benefits of a green transition are shared equally across all populations, including workers, individuals, and businesses



Source: <https://www.mbie.govt.nz/business-and-employment/economic-development/just-transition/>

## Policy Framework

# Just Transition of the Workforce Policy

### Background

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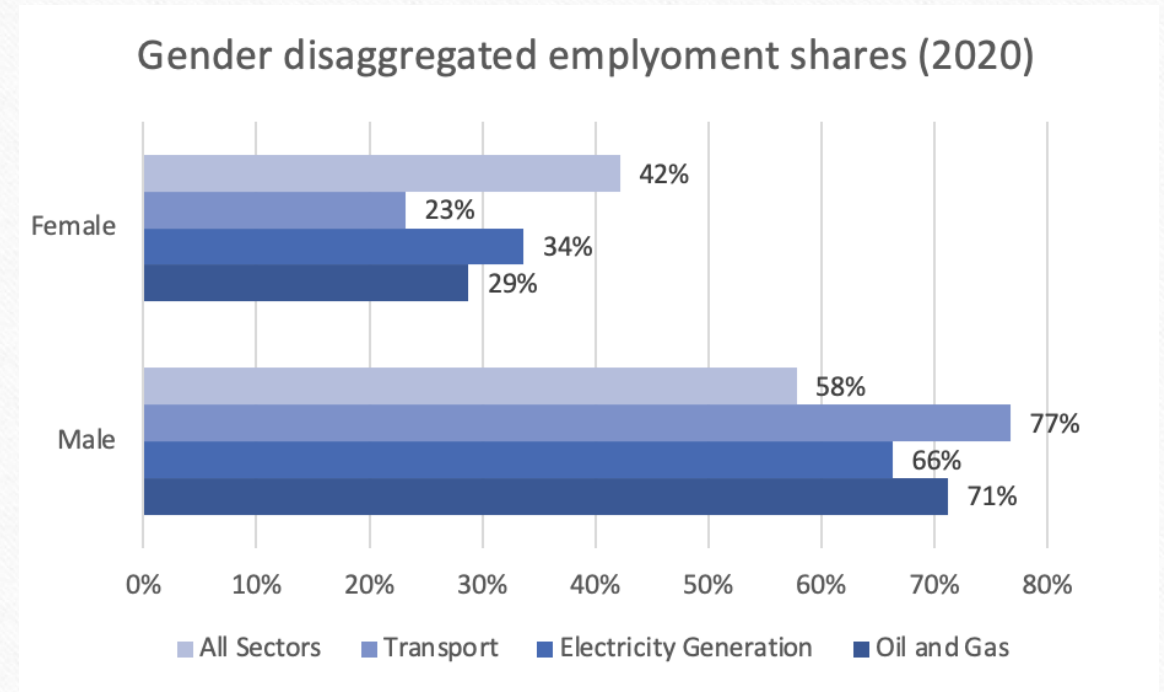
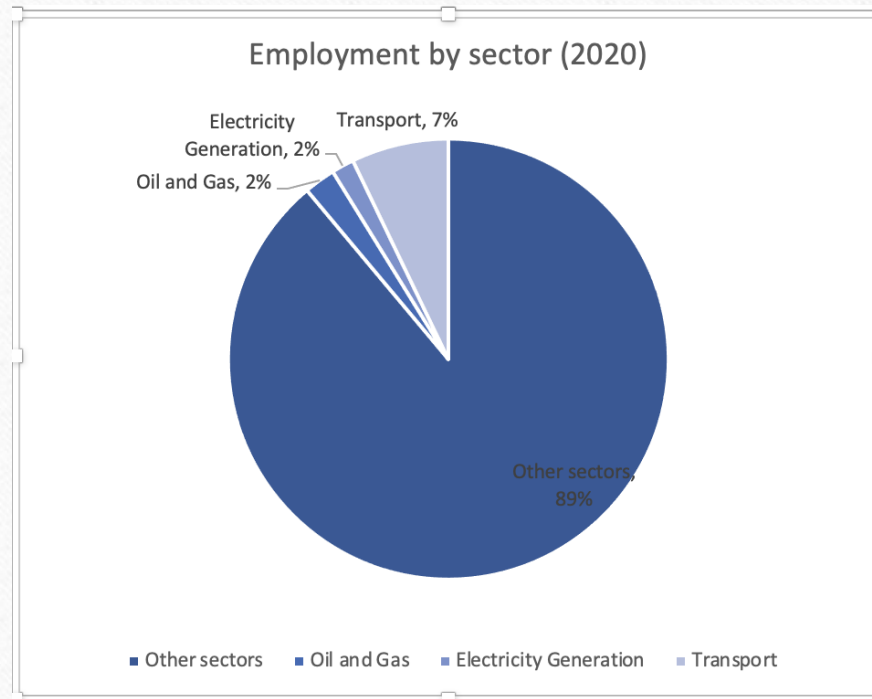
- Trinidad and Tobago's reliance on the Oil and Gas Sector to drive a large part of its economy - it is imperative that any Just Transition Mechanism be carefully designed and well implemented in order to facilitate a successful transition to a green pathway while minimizing any economic or social repercussions.
- Discourse with relevant stakeholders at all levels is imperative in order to foster harmony and ownership with the JT agenda and to ensure that Trinidad and Tobago moves forward into a green pathway without leaving anyone behind.

***Note: The Policy has been submitted to Cabinet for formal adoption***

# T&T's Climate vision

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- Trinidad and Tobago's vision is to harmonize its climate, energy, and economic goals through a Just Transition to a low-carbon pathway to provide equal opportunity to all members of society. By making the low carbon transition fair, it addresses economic, social, and environmental goals along with Sustainable Development Goals.
  - Opportunities are being created in new industries in the low-carbon transition, including new renewable energy and green hydrogen applications.
  - As de-carbonization along with the effects of the pandemic continue to push a paradigm shift, this JT policy is meant to guide policymakers towards achieving the nation's goals of diversifying and transforming the economy and in doing so, ensure decent jobs, promote gender equality, support affected and vulnerable workers, and ensure no one is left behind.

# Trinidad and Tobago Labour Force



# Just Transition Policy Objectives

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1. Work towards a low carbon emissions development by implementing the NDC and striving for higher ambition over time towards a Net Zero Emissions future.
2. Support new low carbon industries, business models, and entrepreneurs.
3. Encourage investment in low-carbon technologies, in addition to strengthening financial frameworks and regulation.
4. Develop and enhance existing support measures for affected workers, including infrastructure for training and reskilling on future low carbon job opportunities.
5. Ensure new professionals and graduates are equipped with the education and skillsets needed for this low carbon economy.
6. Ensure gender equality is upheld in the transition to new industries and sectors.
7. Ensure low-income families, less favored groups of the society, and affected families for job losses are considered with designing sectoral actions and financial incentives mechanisms.
8. Guarantee two-way dialogue and participation as a cornerstone by incorporating a Just Transition framework in all policy levels and all tripartite formal forums and groups.
9. Reassess current subsidies and determine whether they need reform to promote distributive fairness.

# Just Transition Policy Principles

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The transition towards a low carbon economy in Trinidad and Tobago will adopt the following ILO principles

- Strong social consensus is needed.
- Policies respect, promote, and realize fundamental principles and rights at work.
- These policies integrate the gender dimension.
- Decent jobs are created.
- There is no "one size fits all."
- International cooperation drives the transition.
- Coherence across policies is essential.

# Just Transition Policy Principles

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The transition towards a low carbon economy in Trinidad and Tobago will adopt the following:

- Due Participation Principle.
- Good Governance Principle.
- Climate Ambition Principle.
- NDC-SDG Alignment Principle.
- Social Equity Principle
- Decent Work Principle.
- Gender Equality Principle

# Just Transition Policy Principles

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The transition towards a low carbon economy in Trinidad and Tobago will adopt the following:

- Low carbon economy innovation support principle.
- Clean investment enabling environment principle.
- Towards a market price for fuel and electricity principle

# Policy Directives and Strategies

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- **Institutional Framework** - The implementation of this policy will require the involvement of all government ministries and agencies. Trinidad and Tobago will form a continuous coordinating arrangement between the Ministry of Planning and Development and the Ministry of Labour as one of the first coordination measures for policy implementation.
- **Integration** - The Government shall implement this policy by incorporating and integrating elements of this policy into existing and proposed sectoral policies, by revising relevant policies, and facilitating implementation through the drafting and amendment of relevant legislation.

The following actions will enable the integration:

- Incorporate in the updated version of Vision 2030, as the overarching planning policy in the country, the concept and Guiding Principles for a Just Transition as defined in this policy document.
- Require all climate and energy policies to assess their impacts on the Just Transition by analyzing how Trinidad and Tobago Ten Guiding Principles for a Just Transition, as outlined in the section above, have been taken into account in the policy design.
- In public procurements, products and services providers that are aligned with a low-carbon environment and demonstrate the incorporation of Just Transition principles should be prioritized, such as workers reskilling towards a green economy, higher gender equality ratings.

# Policy Directives and Strategies

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- **Stakeholder engagement** – In order to harmonize policies and reduce the risk of unintended negative consequences, stakeholder engagement is of great importance. Therefore the government is hoping to implement the following strategies to ensure and increase stakeholder engagement in the implementation of the JT Policy:
  - Incorporate the Just Transition in the agenda of all relevant tripartite councils and boards, including the National Tripartite Advisory Council (NTAC) chaired by the Minister of Planning and Development, ILO 144 Tripartite Committee, the Minimum Wages Board, the Industrial Relations Advisory Council, and the National Productivity Council. Form working groups or subcommittees to ensure proper attention is paid to monitor progress and the future Just Transition Policy.
  - Create participatory platforms across the society to listen to all members of the society and engage actors across a broad spectrum, including trade unions, employers, industry representatives, national and local governments, academia, environmental groups, non- unionized and informal workers, along with communities and indigenous groups.

# Policy Directives and Strategies

- **Societal Awareness** – Community buy-in of the low carbon emissions transition is critical, as is encouraging the population of Trinidad and Tobago to take ownership of climate change. By providing those affected by the transition with resources and the ability to design a response to the challenges of the transition, more social support for change will take place. Social support will be fostered by:
  - Implementing campaigns to inform communities of the benefits of the transition to a low carbon economy that may imply the development of new sectors and activities away from the gas sector.
  - Promoting the participation of communities and neighborhoods in the design, ownership, and deployment of sustainability-related projects should be encouraged, which will spread risk, costs, and benefits across all sectors of the population and will assist in the behavioral changes needed for a green transition.



# Policy Directives and Strategies

**Workers Support**– While the green transition will create jobs, they will not necessarily be the same as the jobs lost in the transition. Actions need to focus on minimizing job losses and improving workers' employability in at-risk sectors. Existing skills in fossil fuel-dependent industries are transferable and can be applied to new cleaner industries.

Specific policy directives and strategies include:

- Improving the quality of data of jobs affected in the gas sector and other sectors of the economy building on the work initiated by the Ministry of Labour to develop a modernized labour market information system. This system should include mapping transferable skills to new sectors of the low carbon economy and identify job groups with more difficulties in adapting to new jobs.
- Requiring all policies, plans, and sectoral actions towards a low carbon economy to incorporate a job impacts analysis developed with the participation of relevant stakeholders and the Ministry of Labour. This analysis also needs to identify proposed mitigation actions for jobs lost, so that affected workers are provided with a pathway through the transition.
- Cooperating with workers representatives, corporate associations, sectoral chambers, and training institutions to develop a roadmap for reskilling workers in transition, including courses, in-jobs training, and revised training curriculums. This should pay special attention to young, retrenched workers in fossil fuel industries.
- Prioritizing public employment projects aligned with the country's low carbon development priorities. Incorporate public projects procurement requirements that ensure workers affected by the Just Transition have priority access.

# Policy Directives and Strategies

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Well-designed social protection schemes, such as social security systems or public employment guarantees, are crucial for the Just Transition. Trinidad and Tobago will continue to support low-income families and workers affected by the transition by:

- Establishing a compensation mechanism for workers close to the age of retirement in the oil and gas sector who may find it difficult to be transferred to other sectors of the economy.
- Improving the availability of information about support measures for those seeking help.
- Ensuring any policy measures announced by the Government have the necessary supporting infrastructure to be operationalized.
- Designing a mechanism to ensure workers support actions encourage individuals to start a process for reskilling and retraining specifically towards new sectors and green jobs of the low carbon economy.
- Using a multidimensional poverty index to understand the effects of the low-carbon economy on poverty, identifying and mitigating negative effects where possible.

# Policy Directives and Strategies

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Trinidad and Tobago will create action plans for key sectors such as transportation, energy, and manufacturing, including technical and financial support for their implementation. Specifically:

- Sectoral action plans will include active labour market policies to help companies and workers anticipate changes and strengthen employability by providing training and guidance.
- The sectoral plans will support corporations, with a particular focus on SMEs, to understand the challenges of the Just Transition for their business models and activities, to develop company-specific reskilling programs, and to map new business opportunities.

# Policy Directives and Strategies

Gender equality measures will be incorporated in any policy and action towards a low carbon transition, building on the process started by the National Policy on Gender and Development. Also, relevant agencies will be consulted to ensure proper communication and dissemination of gender statistics:

- A gender impact analysis will be included in any policy and sectoral plan related to the low carbon transition. This analysis will identify potential risks for gender inequality and proposed risk mitigation actions. This should include requirements for periodic updates.



# Policy Directives and Strategies

## Education towards a low carbon economy

Education is crucial in ensuring businesses have access to skilled graduates and workers for the low- carbon economy. The training and education programs in the nation should encourage workers to develop skills or reskill for a change of career in the low-carbon economy.

Trinidad and Tobago will ensure graduates and workers are equipped for the new low carbon economy jobs opportunities by:

- Formally mapping and assessing what skills will be needed in future roles based on the to be developed sectoral scenarios.
- Develop active measures to support education institutions to adapt their curriculum and offer degree programs that anticipate future needs for works in a low carbon economy.
- Design an information campaign for future university students and young professionals to ensure they understand the opportunities brought by a career in the low emissions sectors of the economy.



# Policy Directives and Strategies

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## Sectoral Analysis

Understanding the low carbon economy's potential impacts on jobs and the economy is critical to anticipate negative impacts and thus be able to plan for a Just Transition, Trinidad and Tobago will:

- Perform sectoral impact assessments to understand potential negative impacts better and anticipate social protection and security measures, as well as training and skill development active policies. This requires analyzing sectoral employment trends, key drivers of change, and multiple possible sectoral development scenarios. This will prioritize sectors that are key to the country's low carbon transition, sectors preferred by stakeholders, those that show a potential for high impact in the labour market, and sectors that show potential for improving living standards.

# Policy Directives and Strategies



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## Incentives

Trinidad and Tobago commits prioritizing incentives for the private sector to lead the Just Transition. At the same time, existing disincentives are to be removed, ultimately redirecting investments away from fossil fuels and towards energy efficiency, renewable energy sources, clean transport, sustainable manufacturing, energy storage, innovative technologies, and other sectors of the economy that can support a transition towards a cleaner future. Specific policy directives and strategies include:

- Creation, with the assistance of international financial institutions, of a de-risking facility for investments in i) clean energy generation projects and ii) new industries promoting Trinidad and Tobago as a sustainable industrial center for clean energy equipment manufacturing.
- Reform existing energy efficiency and renewable energy tax incentives schemes to ensure it is fully operational.
- Establish a new tax incentive for the reconversion of existing industrial zones to establish sustainability-focused industrial and services businesses.
- Create a multi ministerial working group for approving a roadmap for the elimination of electricity generation and demand subsidies, continuing the process that was used for eliminating transport fuels subsidies. This roadmap should include an assessment of how to eliminate fossil fuel subsidies fairly and, at the same time, a national plan to mitigate the costs this would impose on the most vulnerable households

# Policy Directives and Strategies

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## Promoting low carbon innovative industries

Aside from the energy sector, Trinidad and Tobago also supplies manufactured goods, mainly food and beverages, and cement to the Caribbean region and has a growing services industry. Therefore, an organized, cross-sectoral approach would see co-benefits of mitigation action and integrate adaptation into national planning so that new sectoral opportunities emerge, diversifying from the gas industry and increasing the investment and development of resilient infrastructure and communities.

Trinidad and Tobago will promote low carbon innovative industries by:

- Designing innovation and entrepreneur support programs, including training, mentoring, and seed investment options, to implement low carbon emissions in new activities. Special attention will be paid to initiatives by retrenched workers, women, and young professionals.
- Promoting industrial initiatives towards a low carbon development, including green hydrogen, and a particular focus on industries manufacturing sustainable products to be exported.
- Anticipating the reconversion of underused industrial areas for the implementation of sustainability-related industries and service corporations.

# Expected outcomes

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**The proper implementation of the JT Policy should result in:**

- Large scale collaboration between all ministries and agencies in planning and operationalization of the policy.
- Policies, especially those related to climate, energy and industry incorporate an analysis of the Just Transition impact.
- Societal awareness on the need of transforming the economy to ensure a pathway to a Net Zero emissions society is built.
- Government and sectoral institutions led programs for reskilling fossil fuels workers are created and encouraged.
- More graduates are equipped to function in a low carbon economy with skillsets geared towards, energy efficiency, renewable energy and overall green jobs.
- Gender equality is encouraged throughout the transition process.

# Expected outcomes

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**The proper implementation of the JT Policy should result in:**

- Energy subsidies are addressed.
- A larger percentage of the GDP is contributed by the non-fossil fuel sector
- Larger amount of exports related to non-fossil fuel industries and commodities
- Job gains in green application are maximized
- Job losses in fossil-fuel industries are minimized or accounted for.
- Greater investment in green entrepreneurship initiatives.
- Protection of workers rights in any processes associated with Just Transition

**Thank you!**

