



JUST ENERGY TRANSITIONS PORTFOLIO

Innovative solutions for complex developmental contexts

OneWorld has been working in the field of just energy transitions since the founding of the organisation in 2001. A changing climate, increasing resource constraints and high levels of inequality and poverty in many developing countries underpinned our vision for addressing climate resilience through a just transition lens.

Access to affordable energy is among the primary development indicators that constrain climate resilience and prohibit achievement of the United Nations Sustainable Development Goals (SDGs). This view is deeply rooted in our extensive work in energy transitions, which places people at the centre of energy security, renewable energy and energy efficiency solutions.

Through a range of projects and programmes, we are continuously developing our knowledge base to understand approaches for implementing an inclusive low-carbon “green economy” agenda, in line with local, national and regional development priorities.

— ONEWORLD SUSTAINABLE INVESTMENTS —

OneWorld, established in 2001 with offices in Cape Town and Brussels, is a sustainable development organisation focused on building social, economic, and institutional resilience in the context of climate and resource constraints.

Working both globally and across Africa, OneWorld translates the scientific evidence of climate change and its development impacts into realistic policy and institutional arrangements. We provide effective policy and strategy analysis, institutional development, and capacity building to decision and policy makers, and develop innovative finance solutions for complex multi-stakeholder situations.

Our core competency lies in applying a political economy approach, systems thinking, integrated solutions, participatory analysis and co-benefit assessments, across four key programmes:

- Climate Resilience • Resilient Resources • Just Transitions • Sustainable Finance

WHAT IS A JUST ENERGY TRANSITION?

Just energy transitions (JET) differ from country to country according to national energy sector structures, the electricity and energy mix, pricing and affordability, and access. In South Africa, the Presidential Climate Commission (PCC), is mandated to lead the national just transition process. The PCC defines the just energy transition as being one that ensures that the lives and communities that are tied to high-emitting energy industries (e.g., coal) are not left behind in the shift towards a low emissions economy.

The overarching objective is that the energy and low carbon transition toward net zero carbon development pathways, must be fair and perceived to be fair. Nigeria, for example, plans to use gas (a fossil fuel) as a transition fuel - particularly in the power and cooking sectors - in achieving their net-zero pathway.

A key objective is that the energy transition will create significant investment opportunities such as the establishment and expansion of industries related to solar energy, hydrogen, and electric vehicles. In both the South African and Nigerian examples, it is job creation and skills development interventions that enable equitable participation in the JET in each country.

KEY INSIGHTS ON JUST, GREEN, ECONOMIC TRANSITIONS

Unlike industrialised countries, most developing nations are not faced with the need to decarbonise their economies, through costly retrofitting. Their critical challenge is rather to create an enabling environment for developing new low-carbon productive capacity. Therefore, developing countries have the opportunity to leapfrog old, unsustainable and expensive technologies and avoid getting locked into high-carbon economies. Green growth strategies are the linkage between climate change mitigation and transformational, sustainable and inclusive development.

- For Africa, renewable energy is a key entry point for greening, with high potential for inclusive, equitable and just green growth.
- Understanding the co-benefits of a green agenda is critical to unlocking its potential.
- Green industrialisation has the capacity to enhance Africa's economic competitiveness, to unleash opportunities for skills enhancement, job creation and enterprise development, and provide for a sustainable developmental growth-path.

What is the Just Transition?

We want a future society and economy that is resilient to climate change and sustainable

*Decent work for all
Inclusive action
Less poverty, protect jobs
Opportunities for women
Opportunities for youth
Protect children, disabled and elders*

HOW DO WE GET THERE?

We need a plan that is fair and leaves no one behind

Who is the PCC?

The Presidential Climate Commission is an independent, statutory, multistakeholder body established by President Cyril Ramaphosa

Chairperson: President Ramaphosa
Deputy Chairperson: Valli Moosa

Commissioners

- 10 Ministers
- 21 representatives from labour, environment, health, education and other sectors

PCC Secretariate

What does the PCC do?

Our purpose is to oversee and facilitate a just and equitable transition towards a low-emissions and climate-resilient economy.

Our work is guided by robust research and analysis. We engage in a transparent manner with stakeholders in our efforts to build social consensus around what will constitute a Just Transition for South Africa.

FIG 1. Extracts from South Africa Just Transition Awareness materials
Source: OneWorld, for the Presidential Climate Change Commission, 2022

BOX 1. THE JUST TRANSITION IN SOUTH AFRICA

Between 2017 and 2019, OneWorld designed and led a process for the National Planning Commission to update the country's National Development Plan (NDP). The project team co-developed, with the four social partners (civil society, government, industry and labour), an 'end state' vision of and pathways for a low carbon, climate resilient society as envisioned under Chapter 5 of the NDP: The Transition to a Low Carbon and Climate Resilient Economy. Integral to this project was the identification of specific pathways for the country's energy, water and land-use – and the nexus thereof, which could facilitate the realisation of the vision.

To achieve this objective, OneWorld developed and modelled scenarios for the Just Transition pathways, as a method for estimating jobs and enterprises, as well as livelihoods lost and created as a result of implementing pathways toward the 2050 vision.

The project centred around a facilitated consensus-built stakeholder dialogue process, underpinned by demand-driven information and research, to co-create a future opportunity and pathway mapping for the country.

OneWorld performed the following roles on the project:

- Designed and implemented a series of cross-cutting social partner dialogues and workshops with key players and decision makers among the four social partners;
- Designed and implemented a Future Opportunities and Pathways Mapping and Scenario Modelling methodology for capturing and informing the iterative conversations of the various social partner dialogues across the country and across the social partners;
- Research and consultations with numerous experts to inform and validate the mapping;
- Produced 9 provincial reports to qualitatively contribute to the Opportunities and Pathways Mapping;
- Facilitated a Concluding Conference, with representation of stakeholders from all the previous workshops and stakeholder engagements to validate the pathways which were iteratively developed from stakeholder engagements around the country.



Just Transition Stakeholder workshop, Cape Town, 2018

CRITICAL SUCCESS FACTORS

Effective just transitions, and JET processes rely on a combination of critical success factors, or enabling conditions. These are central to our approach, and include:

- **Situation analysis** of the energy environment concerned, through desk research, and where applicable site visits. This includes scoping low carbon strategies and energy plans, skills gap analysis, vested interests that block or enable the transition, financing landscape and hot spot geographies in the transition;
- Thorough and thoughtful **stakeholder mapping** that involves mapping each stakeholder group, or social partner (e.g. business, civil society, government and labour) to understand how each social group is structured and organised, before identifying key players and aligning these with the given intervention;

- Adherence to **stakeholder engagement protocols** as identified in the stakeholder mapping, while ensuring the right people are in the room to obtain balanced perspectives;
- Ensuring that a **representative and comprehensive range of stakeholder perspectives** is gathered and documented and coded;
- **Addressing misinformation** (for example clean energy is the cause of the energy crisis) through well-researched and balanced fact sheets and suitable publications.



BALANCING A GREEN AGENDA WITH DEVELOPMENT PRIORITIES

There is a growing global consensus on the need to reduce greenhouse gas (GHG) emissions in order to mitigate the devastating impacts of climate change. However, developing countries are in the difficult position of having to balance low-carbon strategies with pressing socioeconomic development priorities.

This requires them to seek policies for achieving equitable, and sustainable growth trajectories without an associated increase in GHG emissions. Burning fossil fuels (such as coal) to produce energy is a key GHG contributor. Global commitments to a low-carbon future in the 2015 Paris Agreement are increasingly making their way into national planning.

However, to date, only a handful of African countries have developed comprehensive green economy policies to address this. This makes it critical to understand, and emphasise, the economy-wide implications and socioeconomic co-benefits of green growth transformations.

Understanding the co-benefits will help towards achieving political consensus and unlocking coherent, comprehensive approaches to planning and implementation. OneWorld's project for the UN Economic Commission for Africa (UNECA), on greening Africa's industrialisation, examined such aspects of the green economy in Africa.

BOX 2: JUGGLING DEVELOPMENT AND SUSTAINABILITY IN AFRICA

UNECA publishes an annual flagship report, the Economic Report for Africa. Its 2016 edition emphasised how a proactive green agenda in Africa could add value for Africa's efforts to industrialise. OneWorld developed Chapter 5 of the report ([see here](#)), assessing the status of green growth on the continent, and using the International Futures (IFs) model for Africa to conduct scenario modelling for Business-as-usual (BAU) and a Green Agenda (GA). This visioning method revealed intervention options that would allow the continent to achieve development goals and economic growth, underpinned by sustainable use of resources. The process highlighted the benefits of 'greening Africa's industrialisation', outlining approaches and identifying entry points for green interventions.

Some of the study's findings were:

- Energy is a critical sector: it is a crucial resource for

advancing industrialisation and also a key area for greening, with potential to yield economy-wide co-benefits.

- Assuming a technological price decrease of 5% annually between 2015 and 2020, the GA scenario shows a significant increase in the adoption of renewable energy, as Africa aggressively taps into its renewable resources.
- This in turn leads to higher electricity production, improving overall access to electricity and reducing the continent's dependence on fossil fuels and energy imports.
- A combination of green economy interventions, such as accelerated renewable energy generation and increased productivity in the agricultural sector, leads to cumulative socioeconomic benefits, such as: an enhanced transition from the informal to the formal labour sector, increased investment in green infrastructure and a broader base of economic growth.

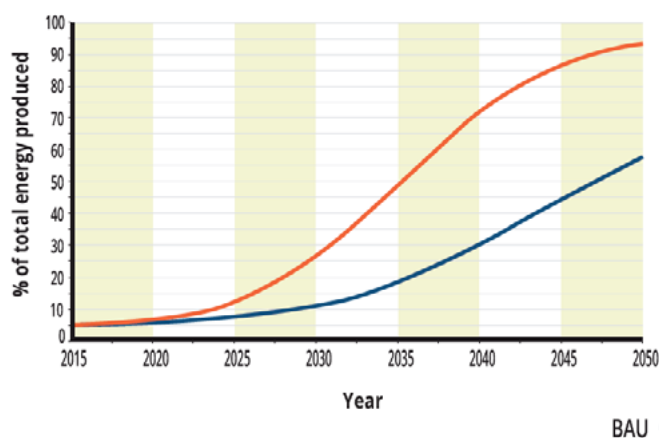


FIG 2. Renewable energy production in 2050 is 58.4% of total energy production under BAU, but 92.8% of total Energy production under a GA scenario.

Source: Petrie, B. (2016). Chapter 5. Alternative Pathways for Africa: Business as usual or a Green Agenda? In Economic Report on Africa 2016: Greening Africa's Industrialisation. United Nations Economic Commission for Africa (UNECA), OneWorld, Cape Town.

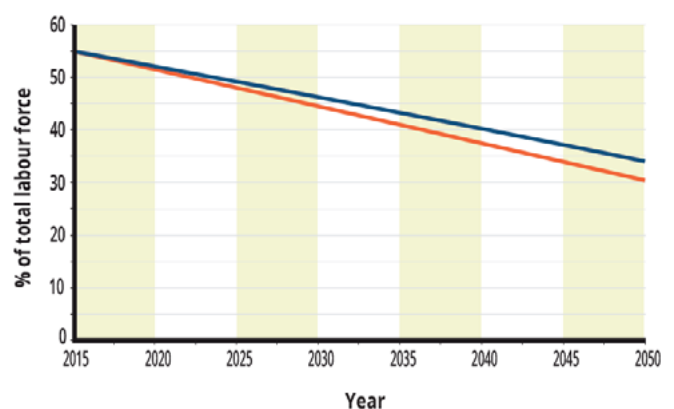


FIG 3. A combination of interventions under a GA could decrease the share of informal labour from 35% under BAU to 30%.

ONEWORLD'S RELEVANT EXPERIENCE

In South Africa, the PCC, with OneWorld's support, established a "Just Transition Framework". Through this, the government seeks to spur on an inclusive and equitable economic and energy transition towards long-term, low-carbon sustainable development for the country.

OneWorld facilitated a comprehensive, collaborative stakeholder engagement process as a framework to understand barriers and solutions to realising South Africa's just transition process.

OneWorld has subsequently undertaken similar processes for the Presidential Climate Commission, which holds the mandate for the Just Transition.

These processes include designing and leading a process for the PCC to facilitate community and stakeholder engagement and participatory analysis to identify and articulate the views of vulnerable communities and affected parties on what would constitute a just transition to a low carbon climate resilient society in South Africa.

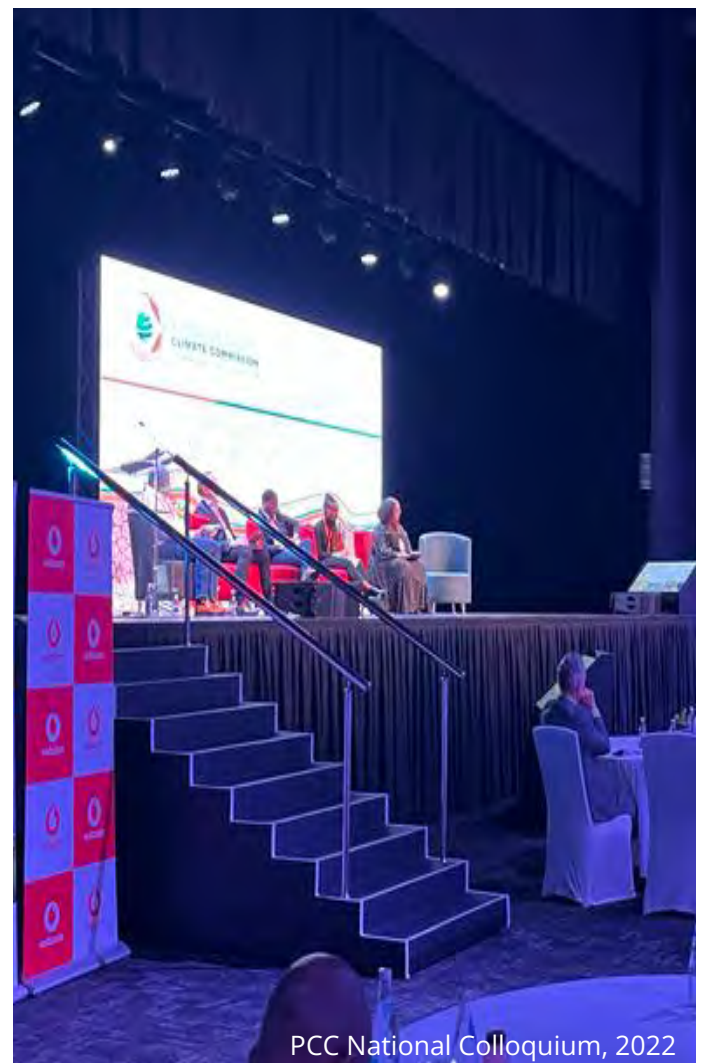
Recent experience includes:

- A study on the socioeconomic vulnerabilities of mining-dependent towns in South Africa and the development of a framework for the transition away from carbon-intensive development towards long-term sustainable, green growth
- A detailed analysis and financial modelling for increased energy affordability of low-income households in South Africa, based on a City of Cape Town case study (see box 3)
- An assessment of the opportunities for renewable energy to stimulate the green economy within the sugar value chain in iLembe Municipality, South Africa
- A study on sustainable energy access in rural areas, for improved livelihoods in Nigeria and South Africa (CHOICES, under the Renewable Energy and Energy Efficiency Programme) including energy service needs assessment surveys, and job opportunity assessments in each country (see box 3)
- South Africa: A case for biomass? A study on the biomass sector in South Africa, and its viability
- A market analysis of enterprise and job creation opportunities for the Solar Water Heating industry in the Western Cape.

CAPACITY BUILDING

Capacity building and skills development are central to enabling the benefits from a green economy transformation, and central to our approach to project implementation. Some of our recent work includes:

- Providing business advisory and capacity building support to entrepreneurs in renewable energy in South Africa, Zambia, Botswana, and Namibia
- Assessing the enabling environment for developing green skills, jobs and enterprises in South Africa, Rwanda and Nigeria for the International Labour Organisation
- Advancing vertically integrated climate governance for low-emission and climate resilient development in Kenya, the Philippines, South Africa and Vietnam, including facilitating a study tour between the South African and Kenyan governments, where OneWorld took a delegation from the South African Government to learn from and exchange with the Kenyan Government on just transition inclusive climate governance and enhanced climate finance access.



BOX 3. ENABLING INCLUSIVE SUSTAINABLE ENERGY DEVELOPMENT IN SOUTH AFRICA

Sustainable Low-Income Energy Services” Study for the City of Cape Town (2018-2020), funded by the Agence Française de Développement (AFD): OneWorld was appointed as the technical lead of a study component aimed at deepening the City of Cape Town’s (CCT) understanding of the costs and benefits of providing energy services for low-income households (LIHHs). The project aimed to optimise service delivery models for these households and to analyse the concomitant costs for the CCT against its existing financial model.

The study had three main outcomes:

- Extensive analysis of the financial and economic cost of optimal energy service options, enabling CCT to compare with current practices. This analysis revealed an array of socioeconomic benefits resulting from the provision of safe and clean energy, including reduced dwelling fires, and improved household health, and opportunities for job creation and small enterprise development.
- An advanced understanding of who bears the cost of different energy service options, between the City, and the consumers, and of the sustainability of these approaches into the future, including an assessment of possible ways that CCT could afford to pay for an increased level of the service.
- A set of decision-making tools (Financial Model and Risk and Cost Benefit Analysis), which can support CCT decision-making with regards to providing LIHH energy services.



FIG 4. Energy Services Conceptual Framework of Sustainable Low-Income Energy Services Study

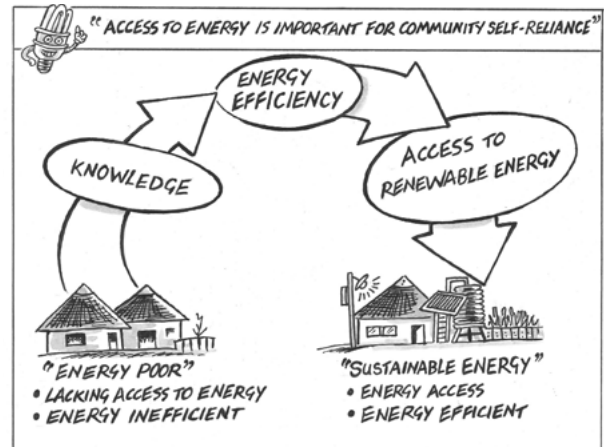


FIG 5. Comic from Community Energy Manual
Source: OneWorld, 2013, funded by International Institute for Environment and Development

CHOICES: Sustainable Energy Access for Improved Rural Livelihoods, South Africa (2012-2013) for the Renewable Energy and Energy Efficiency Partnership (REEEP), in partnership with International Institute for Environment and Development (IIED). The project involved the facilitation of climate-friendly rural and peri-urban energy projects and investment-matching in the Eastern Cape, South Africa. Key outcomes included the transfer of key knowledge concepts, endorsement of alternative community-owned energy solutions by local government and positive uptake by municipal and community stakeholders, and the possibilities of replication at district level.

Specific activities included:

- Partnering with the IIED, OneWorld produced a set of briefing reports that highlight community based sustainable energy solutions alongside possibilities for investment and employment in the local alternative energy industry.
- Development of a knowledge platform for energy including innovative workshop resources, e.g., “Energy Life Game”, facilitated by community coordinators (raising awareness and knowledge of alternate energy choices); various knowledge products; and an online knowledge platform.

Key publication outputs related to the project and produced by OneWorld’s CEO Belynda Petrie can be found [here](#) (on biomass energy in South Africa) and [here](#) (on driving new technology adoption in South Africa’s energy sector).