

29 Framework for people-powered energy transitions

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The global energy transition has far-reaching repercussions: countries whose economies rely on fossil fuel extraction face the prospect of lower demand, and countries producing minerals needed for clean technologies risk the negative impacts of an unregulated mining boom. This chapter draws on transition experiences in Colombia, Democratic Republic of the Congo, Ghana, Nigeria, Peru, Senegal and Uganda. It makes the case that only a people-powered and equitable transition can achieve the scale of transformation necessary for a green future. It proposes an operational framework for just transitions that respect universal human rights, address socio-environmental impacts, ensure affected communities and citizens can meaningfully participate in decisions, and put in place strong and accountable governance systems. It shares lessons on context-specific policies for ensuring a fair distribution of both the costs and benefits of planet-saving climate action.

Key messages

- The energy transition could leave behind many people in low- and middle-income countries unless it is just. Low- and middle-income countries whose economies rely on fossil fuel production or the extraction of minerals are particularly vulnerable.
- There is no one-size-fits all approach to addressing equity challenges in fossil fuels- and minerals-producing countries. Just transitions are built on clearly defined principles, policies, processes and practices that respond to citizens' needs and the most vulnerable communities in these countries.
- Just transitions ensure safeguards that protect rights; processes and instruments that strengthen governance and accountability; plans, policies and programmes that deliver development and well-being for all; and transformative partnerships that address international power asymmetries.
- People-powered energy transitions can create a win-win scenario for the Global North and the Global South, leading to transformative agreements that promote justice and well-being.
- Development partners should provide adequate funding; ensure that accountability and monitoring mechanisms are in place; and encourage learning, exchange and adaptation cross-regionally and globally.

Introduction

The likelihood and success of the global energy transition strongly depend on achieving equitable and sustainable socio-economic development for people in the Global South. This is of particular importance in low- and middle-income countries whose economies rely on fossil fuel production or the extraction of minerals. While many of these countries have been significant suppliers of raw materials and energy for the world, their own citizens, for the most part, have not benefited from these endowments – this is widely known as the resource curse. The global energy transition will have significant repercussions in these countries, adding new burdens and challenges that will require better accountability and governance to ensure people-powered transitions.

Just transitions are only possible if they are built on clearly defined principles, policies and practices that respond to the specific needs of citizens and the most vulnerable communities in these countries. To ensure that these processes unfold for the benefit of people and the planet, the international community needs to ensure adequate funding; that accountability and monitoring mechanisms are in place; and that learning, exchanges and adaptation are encouraged at different cross-regional and global levels.

This chapter draws on research conducted by the Natural Resource Governance Institute (NRGI) in 2023 and 2024. It is also the result of discussions with partners in different countries.¹

The global energy transition could disrupt communities and/or present them with opportunities

The negative impacts of the climate crisis on low- and middle-income countries and underprivileged groups are higher than those on high-income countries. According to a 2022 study, developing countries experienced 79% of recorded deaths and 97% of the total recorded number of people affected by the extreme climate- and weather-related events since 1991 (Walsh and Ormond-Skeaping, 2022^[1]). An earlier study for the African Development Bank estimated that Western and Eastern Africa could lose up to 15% of their gross domestic product per capita by 2050 if climate change is not addressed (Baarsch and Schaeffer, 2019^[2]). At the same time, fighting the climate crisis, including through the energy transition, could add new economic and social burdens on low- and middle-income countries and underprivileged

groups. Those countries where fossil fuel and minerals are extracted face important transition risks (OECD, 2022^[3]).

The International Energy Agency (IEA) projects that global fossil fuels demand could peak this decade (IEA, 2023^[4]). This could have significant consequences for low- and middle-income countries that rely on coal, oil and gas production for public revenues and exports (Laan and Maino, 2022^[5]). A recent study of 40 petrostates projected that reduced oil and gas demand in a “moderate-paced energy transition” would wipe out USD 8 trillion in government revenues (Prince, 2023^[6]). The transition might also have social, economic and environmental effects on local communities, and impacts on local government revenues (Ukpong, 2023^[7]). For example, the closure of two coal mines in Cesar department in northern Colombia in 2021 triggered a social, environmental and economic crisis for the town of La Jagua de Ibirico. The town’s economy had been 80-90% dependent on coal mining and the closure caused a jump in unemployment, local businesses closures and threats against local officials (Vega Araújo et al., 2023^[8]). In a series of just energy transition workshops in the Niger Delta (Nigeria), women and youth expressed concerns about losing their formal and informal jobs, not being ready to be employed in the clean energy sector, and the risks of unresolved socio-environmental liabilities resulting from decades of extraction.²

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Another impact of the energy transition relates to increased demand for transition minerals to produce clean energy technologies (IEA, 2021^[9]). As a result, mineral-producing countries face challenges associated with higher corruption risks, the potential for illicit financial flows and the possibility that companies might not adhere to socio-environmental standards (Diene et al., 2022^[10]). Mining-affected communities also face increased risks of violence. The Business & Human Rights Resource Centre’s Transition Minerals Tracker has identified a total of 510 allegations of human rights abuses associated with transition mineral mining between 2010 and 2022. More than a fourth of them (133) related to alleged attacks against human rights defenders (Avan et al., 2023^[11]). At a workshop in November 2023 in Santiago, Chile, indigenous women leaders expressed concern about the impacts that lithium exploitation is likely to have on an already water-stressed region like Atacama.³

At the same time, there are also opportunities from ramped-up demand for transition minerals that could be enhanced. For instance, the government of the Democratic Republic of the Congo has launched programmes to increase local transformation and benefits from cobalt extraction (UNECA, 2024^[12]). As part of this agenda, it is important to ensure a good management of revenues and the inclusion of vulnerable groups in these new value chains. Artisanal and small-scale miners who typically operate with basic, self-made tools and profit minimally from the global supply chain could benefit from formalisation as well as from technical and financial support.

Ensuring that all countries reap the socio-economic benefits of the energy transition

The energy transition can be leveraged to expand access to new clean technologies and improve access to affordable electricity for the most vulnerable. But governments and citizens alike are calling for assurances that these efforts will not only provide clean energy in high-income countries; the growth of renewables could reduce regional and global inequities in terms of who has access to power generation technology. This is a concern especially in sub-Saharan Africa, which could be home to 85% of the more than 600 million people living without electricity in 2030 (IEA, 2023^[13]). The energy transition is also a chance to find a fairer split of the remaining carbon budget so that a larger share goes to countries with the greatest electricity access challenges. New technologies such as solar and wind power can help lower

income countries make electricity service affordable and reliable for more consumers. Its known socio-economic and health benefits could be available to all, especially to the most vulnerable populations (Eberhard and Dyson, 2020^[14]; IEA et al., 2023^[15]) – rural communities, women and girls, forcibly displaced people, and others who often struggle to pay for fossil fuel power when fuel prices rise (Cozzi et al., 2022^[16]). Opportunities like these will be missed, however, if wealthier countries do not scale up transition finance, if they invest in renewable projects that have either negative local impacts (Hudlet Vázquez and Hodgkins, 2021, p. 14^[17]) or limited benefits⁴, or if they use transition as a justification to burn more fossil fuels at home.

Many of the equity challenges around the energy transition are related to power asymmetries between the Global North and the Global South. No framework for phasing out fossil fuels yet recognises the responsibilities of more powerful and less economically fossil fuel-dependent producers. There have been attempts to bring equity considerations into these timelines – for instance, the phase-out pathways report for the Tyndall Centre at the University of Manchester (Calverley and Anderson, 2022^[18]) and the call for a reference framework for a fair global phase-out by the Civil Society Equity Review (2023^[19]). Yet the political support to translate these proposals into concrete actions is still lacking. Nor is there sufficient energy transition finance being deployed to low- and middle-income countries, which also lack access to the necessary technology and human capital. The ability of low- and middle-income mineral-producing countries to better share the benefits of the transition is also hindered by the weight of geopolitical considerations in transition minerals partnerships and deals, and the absence of enforceable socio-environmental and governance standards (Kaimal, Ikhuoria and Fitzgerald, 2023^[20]; Olan'g, 2023^[21]; Fitzgerald, Nxumalo and Scurfield, 2024^[22]).

Engaging both communities and powerful decision makers in national energy transition planning to ensure equity

Planning and managing the transition in an inclusive way can help policy makers anticipate negative impacts. But efforts to engage the public in energy transition planning remain rare or are falling short. A recent Extractive Industries Transparency Initiative (EITI) report found that community stakeholders are rarely consulted or informed about energy transition plans or how they might affect their lives. Civic space is restricted for participation by civil society; citizens; and affected groups such as women, youth and rural communities (Rojas and Sahla, 2023^[23]). Moreover, public policies and plans for the energy transition are often developed without full recognition of the potential economic, social and environmental impacts at the subnational level.

As countries launch national plans, many are already being criticised for failing to effectively engage citizens and communities most likely to be affected. Civil society organisations complained that oil communities, women and youth groups were not represented in the development of Nigeria's new Energy Transition Plan (Chinery and George-Ikoli, 2023^[24]; Dairo, 2023^[25]) and have called for greater engagement by young people in the country's overall energy transition (Eyo, 2024^[26]). Energy experts and youth groups in Ghana also urged the government to broaden consultations on its energy transition and investment plan to avoid negative effects on local economies (Gyimaah Folley, 2023^[27]; Barfi, 2023^[28]).

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Involving stakeholders in transition plans can avoid the risk of polarisation, conflict and added tensions among different groups and levels of government. On the positive side, some countries have set up multistakeholder bodies for discussion (e.g. the Ghana Energy Transition Committee) and organised

dialogues (e.g. Chile and Colombia), though reporting on Chile's new lithium strategy has cautioned that its ultimate success will require full participation and dialogue with stakeholders (Cortés, 2023^[29]; Carrere, 2023^[30]). These spaces are opening up the conversation in useful ways. However, more effort is needed to follow through on the outcomes of these dialogues, establish the exact parameters of collaborative action and, crucially, to fund such action.

Low- and middle-income countries that produce oil, gas and minerals are essential players in the global transition

Missing the opportunity for an equitable global energy transition will be costly – not only to the people of the Global South but also to those in higher income countries that require minerals to power their green economies. It is, therefore, imperative that the international community foster just transitions. Low- and middle-income countries in Africa and Latin America are not responsible for most greenhouse gas emissions. But they are key to the green transition. Most of the known transition mineral reserves essential for clean energy technologies are in the Global South. The Democratic Republic of the Congo, for instance, has almost half the world's cobalt reserves (Cobalt Institute, 2023^[31]); Chile holds more than 20% of the world's copper reserves (Gordon, 2023^[32]); and Argentina, the Plurinational State of Bolivia and Chile, the lithium triangle, hold approximately 60% of the world's lithium reserves (Ellerbeck, 2023^[33]). This means that the countries in the Global South must be engaged as strategic allies in the global transition and benefit from transparent and fair partnerships.

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The latest *Production Gap Report* warns that the world's governments, in aggregate, “still plan to produce more than double the amount of fossil fuels in 2030 than would be consistent with limiting warming to 1.5°C” (Stockholm Environment Institute et al., 2023^[34]). Various high-income countries are responsible for this production gap and should phase out first. However, it is important to note that national oil companies, a lot of which are in developing countries, account for 50% of global production, 42% of global capex and are planning USD 1.8 trillion in new upstream investment in the next decade (Manley, Furnaro and Heller, 2023^[35]).

Moreover, though the African continent is consuming the least energy per capita today, it is experiencing rapid population growth and urbanisation that likely will multiply its energy use, and potentially its greenhouse gas emissions, in the future. One estimate suggests that in 40 years, if annual per capita emissions for Africa as a whole will reach the current level of countries such as Egypt (2.5 tonnes) and Botswana (3 tonnes), the increase in CO₂ emissions on the continent would be so large as to entirely offset even a 60% decrease from today's levels in the People's Republic of China (Goldstone, 2021^[36]).

Public resistance to energy transition projects perceived as unfair, poorly regulated, or harmful, has been on the rise across Africa and Latin America in recent years.

At the same time, public resistance to energy transition projects perceived as unfair, poorly regulated, or harmful, has been on the rise across Africa and Latin America in recent years. This is a reminder that the scale of transformation required will not be achieved without support from impacted citizens and civil

society. Impacted communities have shown a willingness to mobilise against the phase-out of fossil fuels and the scale-up of clean energy projects (including transition minerals) when they perceive that their individual and collective rights are not being respected. There have been extended strikes, protests and litigation against transition mineral projects in Peru, for instance (Jones Day, 2022^[37]; Surma, 2024^[38]) as well as in Panama (Kahn, 2024^[39]), Mexico (Bnamericas, 2024^[40]) and South Africa (Al Jazeera, 2023^[41]). Colombia's ambitions to build about 40 wind farms to increase current installed power capacity by more than 40% by 2034 has met resistance from indigenous communities over what they say is its lack of respect for their right to free, prior and informed consent and its unequal distribution of benefits and impacts (Vega Araújo et al., 2023^[42]; Bocanegra, 2023^[43]; Reuters, 2023^[44]). There is a potential for similar tensions and contestation elsewhere: a recent analysis of 5 097 energy transition minerals and metals projects around the world found that 69% overlap or are situated close to land over which indigenous or peasant communities have established or claimed territorial rights (Owen et al., 2023^[45]).

A framework for people-powered energy transitions in resource-rich countries

The international community does not have to start from zero to ensure just energy transitions (Box 29.1). Adhering to existing development agendas, including the 2030 Agenda, could contribute to addressing the challenges around equity and inclusivity and provide for effective partnerships with the low- and middle-income countries that produce much of the world's oil, gas and minerals. Lessons learnt from decades of work fighting poverty and inequalities and improving natural resource governance can provide invaluable guidance.

Box 29.1. Evolution and current thinking on just transition approaches

The concept of just transition was shaped by the collision of the labour and environmental movements over the past 50 years and began as a call to protect the rights of workers in polluting industries that needed to change or phase out (Wilgosh, Sorman and Barcena, 2022^[46]). A broader understanding of just transition has since emerged, particularly after its inclusion in the preamble of the Paris Agreement and the International Labour Organization (ILO) guidelines. In late 2023, the first high-level ministerial roundtable on just transition was organised during the Conference of the Parties (COP28) in Dubai. More than 90 senior officials attended, underscoring the importance of justice and equity in the energy transition as a national development priority and as a driver of ambition and implementation of climate change action (United Nations, 2023^[47]).

Climate justice and social movements are now pushing to incorporate a range of pressing concerns into a just transition approach such as gender equality, indigenous rights, environmental justice, energy access and communities' livelihoods.

Academic references in this field have considered at least three elements in energy justice. The first is distributional justice, which looks at the distribution of benefits and ills as well as of responsibilities, with some studies differentiating this from remedial justice. The second is procedural justice, which proposes spaces and processes that allow all groups to access information and participate in and influence decision making. Third is recognition justice, which calls for recognition and effective protection of the rights of all individuals and groups, especially those more likely to be more impacted by the energy transition such as women, youth, indigenous communities and workers, among others (Kirsten et al., 2016^[48]; Darren et al., 2019^[49]).

Among organisations and groups involved in development and the energy transition, definitions and approaches to justice and equity also vary, with some focusing on compensating those who lose out in the transition to net zero and others on the sharing of benefits. Most approaches agree on the need for wider consultations but differ regarding the scope of different actors' influence over decisions and the groups that should be included. Some of their approaches envision radical transformations; some are closer to traditional development agendas. There is also divergence around the speed of the transition.

Notes: Authors consulted the following organisations on their definitions and approaches to just transition and equity: the ILO, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, the OECD, the Interamerican Association for Environmental Defense (AIDA for its acronym in Spanish), the Extractive Industries Transparency Initiative, the Business & Human Rights Resource Centre, the Climate Justice Alliance, the United States Agency for International Development, the International Energy Agency, the Inter-American Development Bank, and the World Bank. Documents consulted include the African People's Climate and Development Declaration and the [Multilateral Development Banks Just Transition High-Level Principles](#).

Sources: United Nations (2023^[47]), "First annual high-level ministerial round table on just transition: Informal note by the president", https://unfccc.int/sites/default/files/resource/JTWP_HLMRT_informal_note.pdf; Wilgosh, Sorman and Barcena (2022^[46]), "When two movements collide: Learning from labour and environmental struggles for future just transitions", <https://doi.org/10.1016/j.futures.2022.102903>; Kirsten et al. (2016^[48]), "Energy justice: A conceptual review", <https://doi.org/10.1016/j.erss.2015.10.004>; Darren et al. (2019^[49]), "Energy justice in the transition to low carbon energy systems: Exploring key themes in interdisciplinary research", <https://doi.org/10.1016/j.apenergy.2018.10.005>.

However, the realities and challenges of low- and middle-income countries that are producing oil, gas or minerals have been largely absent from international discussions of just transition. NRG's research and work in different countries shows that the principles and guidelines described in Figure 29.1 need to respond better to their specific contexts. This requires an understanding of the complex agendas at play not only at the national but also at the subnational level. For example, ensuring equity and justice as copper extraction increases in the Andean south of Peru requires different policies than those needed to manage a possible phase-out of oil production in the department of Loreto in Peru's Amazon region, as was made

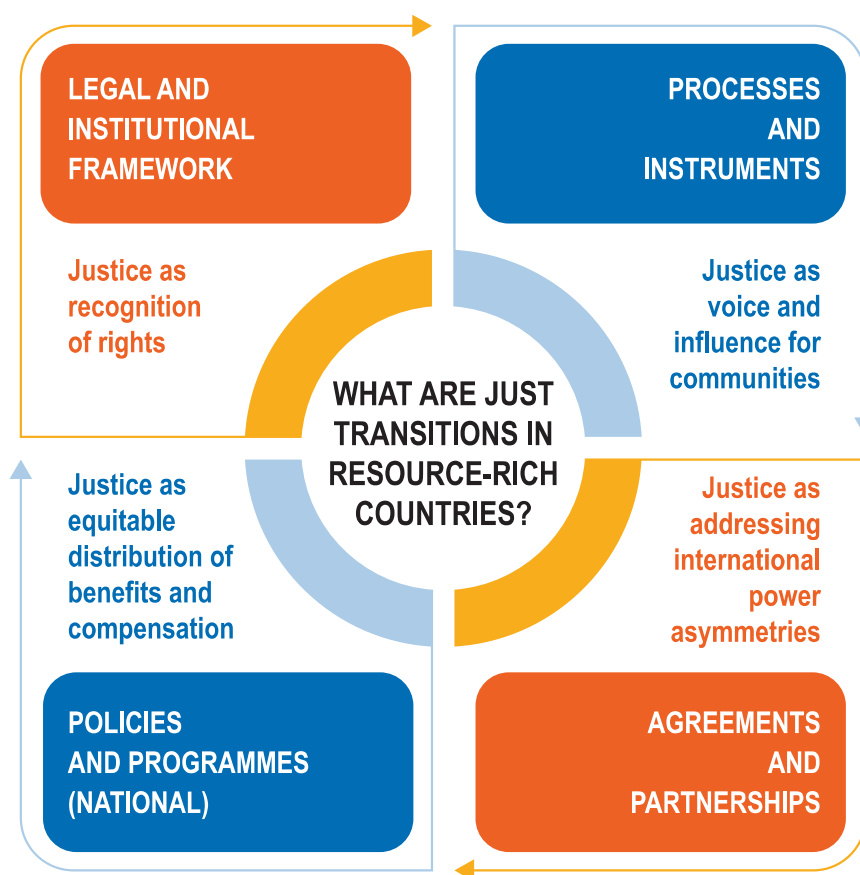
clear during a recent workshop in Peru.⁵ Given the local context, what is needed for a just transition in the Peruvian Amazon might more closely resemble what local people say is needed in the Niger Delta, where dependence on oil revenues for social services and local socio-environmental liabilities are top priorities to tackle in a process of transition.⁶

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In other countries, universal access to energy seems to be the top concern during discussions of justice and inclusion, as was apparent in workshops in 2024 with civil society in Senegal, a new producer of fossil fuels.⁷ There is no one-size-fits all approach to addressing equity challenges in fossil fuels- and minerals-producing countries. Therefore, using the notion of just transitions, in plural, where people are able to drive the process and benefits from it, seems more relevant. Yet consideration of certain principles can underpin these just transitions and ensure they are people-powered.

In energy transitions, different actors have diverse responsibilities. Consideration of specific principles and support can foster people-powered and just transitions: recognition of rights, strengthened governance and accountability for citizens and communities, equitable distribution of benefits and compensation, and the addressing of international power asymmetries.

Figure 29.1. A framework for people-powered energy transitions in resource-rich countries



Principle 1: Just energy transitions recognise rights and leave no one behind, using legal and institutional safeguards

The principle of recognition of rights refers to having a legal and institutional setting that enables the processes and outcomes that will lead to a people-powered energy transition. Governments must ensure that their legal frameworks effectively recognise and protect universal rights, particularly the rights of vulnerable groups that may bear the brunt of the phasing out of fossil fuels and stepping up of transition minerals and renewable energies. These include human rights in general as well as the right to a healthy environment and economic, social and cultural rights. It is important to protect specific groups such as indigenous peoples by the recognition of free prior and informed consent and other collective rights such as cultural preservation, collective territorial rights and self-determination. Rights recognised by the Escazú Agreement in Latin America and the Caribbean (access to information, public participation, and access to justice and protection of human rights defenders) and its enforcement could contribute to effective participation and access to remedy (Human Rights and Climate Change Working Group, 2024^[50]). Requiring environmental or gender impact assessments at the project or regional level could help in understanding whose rights are going to be affected by any energy transition project.

In addition, the private sector – including companies, traders, banks and investors along the value chain of oil, gas, mining, energy and clean technologies – should also ensure human rights due diligence frameworks are in place and reinforced with adequate grievance mechanisms. This could include the United Nations Guiding Principles for Business and Human Rights and the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*. The international community could support the recognition and protection of rights by adopting environmental, social and governance (ESG) standards for transition minerals or for divestment in fossil fuels.

Principle 2: Just energy transitions reflect citizens' and communities' voices and agency, using processes and instruments that strengthen governance and accountability

Sustainable people-powered interventions ensure that decision making respects due process and includes the representation and meaningful participation of civil society, including disadvantaged and marginalised populations. The first step is to provide access to relevant information about projects and their potential impacts, including gender-disaggregated data and translations into local languages. The EITI can be used as a platform for the public to request and access information relevant to the energy transition. Governments should consider participatory planning processes that involve all stakeholders at the national and subnational levels. They also should ensure that funds are allocated to establish permanent spaces where all citizens and stakeholders can meet to discuss and hold the government to account with no barriers to participation. Civil society, communities and specific vulnerable groups should be represented when key decisions are being taken and in multistakeholder commissions or consultation processes, including by leveraging EITI multistakeholder groups where they exist. The Energy Transition Committee in Ghana, inaugurated in 2021, could be a good pilot to try out the representation of such groups in a multistakeholder set-up (Enerdata, 2021^[51]). Protecting civic space is a precondition for meaningful engagement (Nxumalo and Pitman, 2024^[52]).

Principle 3: Just energy transitions provide an equitable distribution of benefits and compensation through plans, policies and programmes that deliver development and well-being for all

Governments, companies and the international community need to ensure that energy transition processes and policies provide concrete opportunities that are sustainable and benefit all citizens, including the most vulnerable groups, in terms of job creation, access to energy, local transformation of minerals,

technological advancement and diversification of the economy. Policies and plans need to be explicit about the tools and instruments put in place to get to those results and about how progress will be tracked. As the governments of Chile and the Democratic Republic of the Congo promote industrialisation linked to lithium and cobalt, respectively, and develop local content policies for extraction, they need plans to ensure that their efforts benefit citizens and the most vulnerable communities, including youth and women. Energy transition policies focused on expanding energy access should also ensure affordability and benefits for communities, including support for people in rural areas to become entrepreneurs of clean energies. The energy community's projects promoted by the Colombian government are an example (Colombia Ministry of Mines and Energy, 2023^[53]). There can be other opportunities linked to training and access to technology for youth and women; new ownership configurations in mining and renewable energy projects; more equitable approaches to the management of existing oil and coal revenues management for the diversification of the economy; and employment generation in the rehabilitation of coal mining and oil production sites.

Since the energy transition is likely to produce negative impacts, its development outcomes should also include programmes designed to compensate the most vulnerable populations that will be affected. These could include financial support, reskilling or upskilling programmes for workers in fossil fuel industries, and programmes for women and youth in the informal economy that allow them to envision careers in the renewable energy sector or other sectors in the economy (GIZ, 2023^[54]). Governments should also establish and enforce requirements for companies to identify and compensate socio-environmental liabilities in mine closures and decommissioning so that these costs are not transferred to the state (Woodroffe, 2024^[55]). For example, Chile's and Peru's regulations incorporate financial assurance requirements to cover such costs (IISD, 2021^[56]). Local and national governments as well as companies and the international community should identify the specific impacts on indigenous peoples, peasants, small-scale fishers and other vulnerable populations. The historical legacy of the fossil fuel industry and prior mining projects should be considered to seek intergenerational justice (Carley and Konisky, 2020^[57]).

Principle 4: Just energy transitions address international power asymmetries through fair and transformative agreements and partnerships

Unsustainable patterns of production and consumption – resource depletion, inefficiency, carbon emissions, biodiversity loss and waste production, among others – call for a global reset. Challenging these requires unprecedented levels of international co-operation and transformative partnerships. In the framework of the United Nations Framework Convention on Climate Change, the international community has agreed that there are differentiated degrees of responsibility in the process of transition. This principle needs to be effectively implemented. The Global North still is the main driver of the agenda for the global energy transition but low- and middle-income countries should have a voice and a place at the table. The negative impacts of both climate change and the transition disproportionately affect low- and middle-income countries, particularly those that heavily rely on fossil fuel or mining extraction for their economies and development. Their specific challenges need to be acknowledged. In practice, this could include agreeing on different deadlines for the phase-out of fossil fuels according to levels of dependency and capacity. A 2022 report by the Tyndall Centre at the University of Manchester suggested that the wealthiest countries that produce more than a third of the world's oil and gas must cut output by 74% by 2030, with the poorest nations given until 2050 to end production (Calverley and Anderson, 2022^[18]). The criteria to determine the sequencing of a country's phase-out could include economic efficiency, wealth, dependence, development, historical responsibility and procedural justice, though it is important to recognise the needs and rights of marginalised communities in these timelines (Sanchez and Linde, 2023^[58]). The Civil Society Equity Review in 2023 proposed a framework for equitably phasing out fossil fuel extraction that would ground phase-out time frames on capacity, responsibility and dependence and provided quantitative estimates of how fast each country should phase out and with how much international support (Civil Society Equity Review, 2023^[19]).

Another essential way to address international asymmetries is to make sufficient energy transition funding and technical support available to low- and middle-income countries. The IEA estimates that the private sector will need to provide approximately 60% of the clean energy finance in emerging market and developing economies (excluding China), or USD 900 billion to USD 1.1 trillion annually by the early 2030s (IEA, 2023^[59]).

Sustainability-linked, ESG-benchmarked and blended public-private finance have increased significantly in some countries. However, a mandate to maximise financial returns, rather than development and equity considerations, continues to drive private finance. This risks further entrenching global economic disparities. Therefore, international aid funders and multilateral development banks play a key role in de-risking investment, including by reassuring markets and by including economic incentives for low- and middle-income countries that decide to accelerate their phase-out of fossil fuel production and those that promote clean energy but are not the biggest greenhouse gas emitters. Currently, public funding available for renewables generation capacity, grids and storage, etc. is directed towards just a small group of middle-income countries, most of which are already perceived as proven, lower risk investment destinations (IEA, 2023^[60]). It is just as important to support these countries to sustainably and inclusively diversify their economies and energy systems, address the fiscal challenges of replacing rents from commodities such as oil and coal, and provide technical and financial support for mining governance and local transformation around transition minerals. Expanding just energy transition partnerships could also be useful, but these efforts require more transparency and accountability (NRGI, 2022^[61]).

Moreover, there is an increasing need for accountability from different actors working to fund and implement transition actions. International co-operation could play an important role in this regard. There are useful indicators for tracking corporate just transition efforts (World Benchmarking Alliance, 2021^[62]). However, indicators that could assess countries' just transition efforts beyond emissions-focused elements are needed. They could help track and compare progress on transition-related financial and socio-environmental risks and strategies. They could also evaluate progress towards targets on universal access to energy, workers' just transition, fossil fuel subsidies, and the development of inclusive nationwide and local-level just transition strategies, among other key areas. A just transition global benchmark conducted on a regular basis could support constructive engagement between governments and multilaterals to evaluate equity considerations. It could foster engagement between governments and civil society within each country to identify trends and track progress over time. Apart from spurring domestic improvement, indicators can also stimulate peer competition across assessed countries and learning from country or local practices and programmes. Such a tool could provide a basis for constructive dialogue among energy producers and consumers on how to achieve a global just transition, including through enhanced international policy coherence.

People-powered energy transitions can create a win-win scenario for the Global North and the Global South

Advancing sustainable and equitable development in low- and middle-income countries that produce fossil fuels and minerals goes hand in hand with achieving a global just energy transition. The international community can play a pivotal role by supporting the specific needs of each country and providing the necessary finance and incentives while also avoiding putting additional burdens on countries that cannot afford the transition at the pace required to tackle the climate crisis as quickly as higher income countries. People-powered energy transitions can create a win-win scenario for the Global North and the Global South, leading to transformative agreements that promote justice and well-being through the recognition of communities' rights, voice and influence, the equitable distribution of benefits and compensation, and international fairness measures.

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Notes

¹ The research was led by Ana Carolina González-Espinosa and Juliana Peña-Niño at the NRGI, and by Danilo Borja, PhD from Calgary University, as an external research assistant. It included a literature review; an analysis of key reports by diverse international and regional organisations and movements; and an assessment of the NRGI's and its partners' pilot projects on just transition in resource-rich countries in Africa, Latin America and the Middle East. It also benefited from the insights of NRGI staff and the representatives from partner organisations at a strategy and learning workshop in Ghana in January 2024. Participants from Colombia, Ghana, Lebanon, Mexico, Nigeria, Senegal, Tunisia and Uganda included from ACEP, Charles G. Ofori; from AIDA Americas, Liliana Avila; from Arab Institute for Women, Myriam Sfeir; from Extrative360, Juliet Alohan Ukanwosu; from FEMNET – African Women's Development and Communication Network, Memory Kachambwa; from Georgette Barnes Ltd., Georgette B. Sakyi-Addo; from Global Rights Alert, Winfred Ngabiirwe; from LEGS-Africa: Elimane Kane; from NRGI: Ahmad Abdulsamad, Paul Bagabo, Maria Fernanda Ballesteros, Emma Dahmani, Aida Diop, Ana Carolina González-Espinosa, Denis Gyeyir, Nafi Chinery, Gabriela Flores, Alexandra Malmqvist, Silas Olang, Juliana Peña-Niño, Angela Puplampu, Nicola Woodroffe and Abir Yahyaoui; from OECD, Ida Mc Donnell.

² The workshops were organised by the Budgit Foundation and the NRGI. They addressed the positive and negative impacts of the transition away from fossil fuels in the Niger Delta region and called on government actors to include women at every step of decision-making processes.

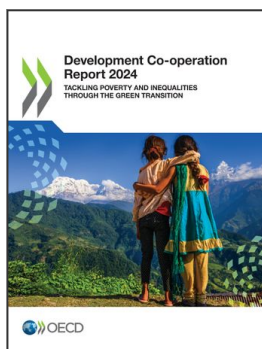
³ Workshop Women and Critical Minerals: Towards a Just Energy Transition organized in Santiago, Chile, 8-9 November 2023, organized by the Chilean non-governmental organisation FIMA and the Global Initiative for Economic, Social and Cultural Rights.

⁴ Studies in lower income countries suggest that the expansion of energy access does not always result in benefits for the economy of the area where power plants are built and sometimes does not even improve host communities' access to cheaper, more reliable electricity. See, for instance, Abou-Zeid, <https://au.int/fr/speeches/20221109/opening-remarks-her-excellency-commissioner-infrastructure-and-energy-dr-amani>; FAO, <https://www.fao.org/3/cb7433en/cb7433en.pdf>; OECD, <https://doi.org/10.1787/9789264180444-en>.

⁵ Together with CooperAcción, Derecho, Ambiente y Recursos Naturales and Oxfam and with the support of the Moore Foundation, the NRGI organised a workshop in March 2024 on what a just energy transition means for Peru.

⁶ In Nigeria, the NRGI conducted a series of just energy transition workshops in collaboration with the Budgit Foundation (see note 6).

⁷ A just energy transition workshop was organised with civil society organisations in Senegal from 29 January to 1 February 2024 by the NRGI, Oxfam, the African Climate Foundation, Natural Justice, Heinrich-Boll Stiftung and the Meliore Foundation. (Civil society training workshop and launching of a multi-stakeholders platform on Just Transition and Just Energy Transition Partnership JETP).



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