JUST ENERGY TRANSITION PARTNERSHIPS IN THE CONTEXT OF AFRICA-EUROPE RELATIONS: REFLECTIONS FROM SOUTH AFRICA, NIGERIA AND SENEGAL

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Synthesis paper prepared by Ukàmà: the Africa-Europe platform for sustainable development thinkers

This paper presents the platform members’ analysis and discussion of three papers analysing JETP discussions in South Africa, Nigeria and Senegal that were written by independent researchers based in the countries concerned. For any feedback on or queries about this synthesis paper, please contact Elisabeth.Hege@iddri.org

For more information about the Ukàmà platform, see: https://www.iddri.org/en/project/ukama-africa-europe-platform-sustainable-development-thinkers

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Ukàmà
Solidarity for prosperity

The Ukama platform aims at building an informal dialogue process between a diversity of African and European experts bringing together perspectives of the Europe-Africa cooperation, including Climate, Sustainable Development, Economic transformation, International Cooperation, Finance and Trade to facilitate the emergence of such shared expectations. The main objective of the platform is to convene critical thinkers to help set out the themes and issues that are relevant for shared sense of prosperity for Africa and Europe.
Key messages

So far, narratives around just energy transitions are quite diverse and contested within countries and between Africa and Europe. The emergency of Just Energy Transition Partnerships (JETPs) as an innovative financing mechanism is taking place in a strategic and sometimes heated moment of Africa-Europe relations.

African partners perceive confusing signals from the EU and its Member States between the newly launched Africa Green Energy Initiative, the REPowerEU Initiative and the Green Deal. The objectives of this new type of partnerships should be clarified and grounded on the needs of the country. The guiding question to identify and ultimately achieve them ought to be: what step change in the energy system transformation is needed?

The EU and Member States involved in negotiating JETPs should build a strong Africa diplomacy based on equal partnership and structure discussions with African countries around the continent’s industrialization, employment and development needs, that are central if the transformation of the energy system is going to be just. Avoiding stranded assets and aligning with the countries long-term resilience and decarbonization objectives is another critical goal.

On the African side, countries advocating for gas as a transition fuel might be encouraged to elaborate credible long-term strategies in the framework of the UNFCCC and should specify the role gas will play in a clear, phased country energy transition plan.

Elaborating a well-articulated plan requires investing in country-driven and country-specific evidence and analysis, to feed both domestic policy debates and align national stakeholders with the intended plan, as well as to feed the dialogue between national stakeholders and international investors, private or public. Each plan will be different based on the specific development priorities of the country and the energy system trajectories compatible with these priorities and the country’s NDC. Research and analysis should focus on identifying the main barriers and opportunities of a just energy transition in the country that could be a basis of discussion for a potential JETP.

An energy transition partnership that is to be just—in a distributive, procedural and restorative sense—cannot be negotiated behind closed doors. Transparency in the negotiations with international partners is key and often lacking across the three country studies. So is a pluralistic debate in the elaboration of a country-driven plan that involves multiple stakeholders.

The potential for JETPs first lies in identifying social, institutional, political, and technical barriers and blocking factors or major lock-in risks, and second in analyzing where and how an innovative financial partnership could play a catalytic role. The effectiveness and spread of JETPs requires that they represent a step change in the history of climate finance. This means in return to the step change required domestically, international partners should offer a step change in the partnership proposed in terms of equity in governance, additionality of amounts, and modalities. JETPs need to overcome old issues of trust in climate and development finance by: 1) transparent and just accounting: clarifying whether the funding for the Energy transition provided by the consortium of donor countries count towards their USD 100 billion international climate finance pledge or whether it is outside it; and 2) improving donor coordination: JETPs could be a way to make progress in this classic development finance challenge because it is based on defining the investment plan corresponding to the country’s needs.
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Introduction

Framing the Just Energy Transition Partnership narrative: contesting visions and different country needs

Defining the main transition challenge(s) in a context-specific way: the need for in-country independent science-based analyses and a pluralistic debate

Considering the many faces of justice: distributive impacts of energy transitions on communities and workers, as well as on future employment opportunities

Defining the "P": What change in the partnership and what for?

Possible Factors for good JETP processes
Introduction

This paper provides key messages from three African country studies commissioned by the Ukâmá platform to examine emerging energy transition initiatives in Africa and the implications for Africa-Europe relations. The specific objectives were:

1. to explore the ways in which the narrative of a Just Energy Transition Partnership (JETP) is developing in the concerned African states;
2. identify key elements of a credible just energy transition partnership between Europe and Africa; and
3. determine the conditions for facilitating such a partnership in ways that can promote shared prosperity in Africa and Europe.

The scoping papers cover South Africa, Nigeria and Senegal. South Africa is an obvious candidate being the biggest emitter of Greenhouse Gases (GHG) in Africa, and indeed the only country yet that have announced a JETP declaration with international partners in Africa A middle-income country, up to 85% of South Africa’s electricity is generated by coal fired power plants. Senegal is a low-income country in West Africa with new discoveries of fossil fuels which the country plans to exploit to address the problem of low access to modern energy and electricity. Senegal currently holds the presidency of the African Union (AU) and plays an important role in shaping the trajectory of just energy partnership between Europe and Africa. Nigeria is the biggest economy and most populous country in Africa. The economy is highly dependent on oil and gas but, like Senegal, a vast proportion of the population does not have access to modern energy.

Through the South Africa case study, Meridian Economics provide valuable lessons on the processes and challenges of putting the need for a large scale just energy transition transaction on national and international agenda. Looking at Senegal, Enda Energie offers insights in the ways the concept of just energy transition is debated by different national stakeholders in Senegal and the range of actions that are required by African and European actors to advance just energy transition in the continent. Integrated Africa Power reflects on the state of affair in Nigeria where an Energy Transition Plan (ETP) has recently been adopted and offers insights on the tension in combining climate mitigation ambition with achieving energy access as well as the role of institutions and incentives.

The objective of the Ukâmá project is to foster an open and constructive discussion on different visions and country contexts, and to identify common questions and challenges across the diversity of national situations.

Context

At COP26, a Just Energy Transition Partnership (JETP) was announced between South Africa and a consortium of partner countries, mobilizing an initial US$8.5 billion for South Africa to accelerate and support the country in achieving the most ambitious Nationally Determined Contributions (NDC) pathway in the context of a just transition. Since then and in the run-up to COP27, the concept of JETPs as country platforms for the support of energy transitions in developing economies has gained interest from across the development and climate finance communities, developed and developing countries and Development Finance Institutions (DFIs). Countries from the International Partners Group (IPG), and France during its EU presidency and Germany during its G7 presidency especially, have signaled the possibility to negotiate similar partnerships with other countries such as Indonesia, Vietnam but also Senegal.

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1 In this text, “modern energy access” is referring to household access to a minimum level of electricity, household access to safer and more sustainable cooking and heating fuels and stoves, reliable forms of access to energy that enable productive economic activity (e.g. mechanical power for agriculture or industries) and for public services (e.g. electricity for health facilities, schools, and lighting) (IEA, 2020 - https://www.iea.org/articles/defining-energy-access-2020-methodology )
The emergence and advancement of the concept of JETPs is taking place in a dynamic continental and international political and economic landscape. There is a new Africa-EU Green Energy Initiative being complementary of the Africa Europe Energy Partnership created in 2007 to facilitate dialogue on energy cooperation. At the same time, given the war in Ukraine, Europe is recalibrating its own energy policy via a REPowerEU Initiative that aims at diversifying EU’s energy supply sources, including via new gas imports in the short term, while trying to keep alive the spirit of the Green Deal in the long term. But despite an important role devoted to energy efficiency and energy demand reduction, it remains unclear how the REPowerEU Initiative, with its focus on achieving energy independence from Russia will sit with the Green Deal that is focused on achieving long-term climate neutrality by 2050.

JETPs are also being pursued in the context of a new narrative of equal partnership between Europe and Africa expected to reshape the relationship between the two continents away from a donor-recipient affair to a symbiotic partnership of equals. The landscape is also characterized by economic global energy and economic turbulence, again, associated with the consequences of the Covid-19 pandemic and of the war in Ukraine and intensifying climate impacts with significant loss and damage in Africa. Meanwhile the COP27 Egypt presidency is developing an Africa Just and Affordable Energy Initiative which some suggest is intended to highlight the critical importance of energy security, economic development, and balance of trade alongside climate objectives.

Within this complex context several questions emerge. Some of these are:

- What are the key narratives framing the "just energy transition partnerships"?
- What are the key policy and finance and investment required for successful JETPs?
- To what extent can JETPs advance energy security for sustainable development and climate objectives in both Africa and Europe?
- What are the best options for aligning energy transition decisions and fiscal and development realities in African countries?
- What role could JETPs play in transforming Africa-Europe relationships and delivering shared prosperity for both continents?

We do not purport in either the scoping papers or this synthesis piece to provide exhaustive answers to these and related questions surrounding the JETPs. Our aim is to introduce these question as valid points of conversation and engagement between policy makers and practitioners in Africa and EU in the hope that doing so will help to maximize the effectiveness of JETPs and avoid blind slights.

### Framing the Just Energy Transition Partnership narrative: contesting visions and different country needs

The first insight that can be gleaned from the scoping papers is the presence of contesting visions around how to best frame the just energy transition. The papers highlight various and competing visions of just energy transition broadly and JETPs in particular both within countries and between African and European policymakers. One key area of difference is the role that gas can or should play in Africa’s energy transition.

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2 As we write (as of October 23, 2022), several parts of Nigeria are currently experiencing unprecedented flooding of immense destructive magnitude with the Nigerian Government saying that over 2.5 million people had been affected. Meanwhile a post disaster assessment of a less severe flood in 2012 put the cost of damage at amount of an estimated ₦2.6 trillion (US$16.9 billion). (see https://venturesafrica.com/heres-some-sectors-of-the-economy-affected-by-the-recent-flood-in-nigeria)

3 Egypt’s Minister of Environment: Voice of Africa’s Initiatives Echoes from Egypt at Cop27 – Egypt Today

4 Chantal Naidoo (2022) in: How can “country platforms” drive bold climate action? Emerging ideas and early lessons | ODI: Think change webinar
plan. The financing of gas is a deeply contested topic since EU development institutions (e.g., European Investment Bank (EIB),\(^5\) French Development Agency (AFD)\(^6\)) have decided against financing fossil fuels investments in order to be aligned with their commitment to the Paris Agreement (which does not mean that EU countries have stopped developing gas infrastructures) and with the objective not to fund with public money assets that could become stranded, while several African countries, including Nigeria\(^7\) and Senegal\(^8\) remain very vocal on the role of gas as transition fuel, in particular for the purpose of their industrialization process.

In the lead up to COP27, an initiative called ‘African Common Position on Energy Access and Just Transition’ led by the African Union Commission and adopted by the AU Executive Council, details an approach to respond to Africa’s energy access and transition needs without compromising its developmental priorities.\(^9\) It emphasizes the continued deployment of renewable but also non-renewable resources to meet energy needs in the continent, and the need to mobilize adequate funding and appropriate regulatory frameworks to establish large energy markets. This position was criticized and rejected by the African group of climate negotiators with the argument that such a pro fossil fuel stance would distract from COP27 priorities.\(^10\) Some African experts also have insisted on the need to avoid developing gas infrastructures in African countries for the sake of supplying Europe’s energy security, while such infrastructures could soon become stranded assets.\(^11\)

From the African perspective, Europe’s position is not always clear either and can be perceived as confusing or hypocritical. The charge of hypocrisy on Europe by African policymakers and experts has increased in the light of EU Member states’ dash for bilateral gas deals with other countries, in particular in Africa, or the investment in LNG infrastructures, in the wake of the scarcity caused by the war in Ukraine. Some African governments therefore wonder why Europe should be seeking gas to ensure its energy security while at the same time seeking to deny Europe’s public financial support for Africa’s access to gas that is abundant within its own shores.

The papers on Senegal and Nigeria both make clear that many African stakeholders would prefer to see a more nuanced diplomacy focused on the need to achieve universal access to energy services to reduce energy poverty and to ensure industrialization while moving towards the transformation of supply sources to address climate change. In addition, the Senegalese authors warn that: “Lack of social dialogue and diplomacy could clash with the European Union’s prioritization of clean energy for a just transition, the propensity of Europe to want to privilege its own energy security first to the detriment of the producer country”. The Integrated Africa Power author in the Nigerian paper notes that despite the references to the idea of equal partnership between Africa and Europe, there is a high risk that an exclusion of gas investments from EU public development finance will be perceived as part of a tendency by Europe to want to decide on behalf of Africa what is good for that continent.

As stated by Jean Paul Adam from UNECA at the meeting of the African Group of Negotiators, a common position would be a call for “a scientific approach to accelerating energy access driven by a transition to renewables, with clarity on the mode of transition which would be country specific”, which is converging with the objective of this paper, based on country-specific analyses.

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\(^7\) A Conversation with Yemi Osinbajo (2022), Vice President of Nigeria | Center for Global Development | Ideas to Action (cgdev.org)
\(^8\) President Macky Sall (2022): Will Europe walk the talk on Africa’s climate crisis? | Climate Crisis | Al Jazeera
\(^9\) Africa Speaks with Unified Voice as AU Executive Council Adopts African Common Position on Energy Access and Just Energy Transition | African Union
\(^10\) African climate diplomats reject African Union’s pro-gas stance for Cop27 (climatechangegews.com)
Defining the main transition challenge(s) in a context-specific way: the need for in-country independent science-based analyses and a pluralistic debate

Shifts in energy systems are crucial for reducing greenhouse gas emissions (IPCC, 2018). Energy transitions are processes that have specific characteristics (Araújo, 2014) among which are the urgency of technology shift, the need for innovation, the contestation and trade-offs of different goals and the recognition of livelihoods impacted. The three papers also emphasize the views that the energy transition should help ensure the maximum efficiency of the energy system and its resilience.

The energy system challenges across the three country cases and pathways are quite different. Mulugetta et al. (2022) in a recent paper in Nature Energy highlight that “although current debates about natural gas and renewables in Africa are heated, they largely ignore the substantial context specificity of the starting points, development objectives and uncertainties of each African country’s energy system trajectory.” And “highlight that each country faces a distinct solution space and set of uncertainties for using renewables or fossil fuels to meet its development objectives.” Mulugetta et al. (2022) identify key variables that are essential to be considered in the process and debate around a national just energy transition pathway, such as: electrification rate, country-specific cost of renewable energy from different technologies, fossil fuel reserves and current fossil fuel generation share.

In preparing for a JETP process it is essential to well define the main problem(s) to be addressed. Think tanks and research communities can play a valuable analytical role here. As an example, the South African think tank Meridian Economics has contributed to planting the seeds for a JETP by developing "a valuation modelling of Eskom’s financial situation, demonstrating the size of its stranded debt." South Africa’s energy generation infrastructure is predominantly coal-based, with 85% of the country’s electricity generation from coal. The power sector and state-owned monopolistic utility, Eskom, are therefore at the heart of South Africa’s energy transition. Eskom’s debt issue still has the potential to undermine South Africa’s energy transition, reducing the value of any financial support committed, unless it is addressed. Meridian Economics proposed a Just Transition Transaction (JTT) early on that would link the debt problem to the global mitigation imperative, and hence climate finance. Another insight that was not widely understood at the time is that renewables now constitute the lowest cost future power generation option in the country. This is corroborated by a study by NBI, the National Business Initiative (NBI), a coalition of companies for sustainable growth, on ‘Decarbonising South Africa’s Power System’, stating that a renewables dominant system is significantly cheaper with a relatively narrow risk envelope associated to variability in cost, in comparison to coal and nuclear systems (NBI, 2021) and the Meridian ‘Vital Ambitions’ power systems modelling project (2020). These independent evidence bases, from a plurality of sources outside of government, were taken up by the South African Presidential Climate

12 Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments — IPCC
15 Chantal Naidoo (2022) in: How can “country platforms” drive bold climate action? Emerging ideas and early lessons | ODI: Think change webinar
17 Other important research and think tank work in South Africa on the issue: TIPS - Just Transition Portal
18 https://www.eskom.co.za/eskom-divisions/gx/coal-fired-power-stations/
Commission (PCC) in the consultations which resulted in South Africa submitting a substantially more ambitious NDC than initially intended, a key motivation for the South Africa’s JETP.

The competitiveness of renewables is not necessarily the same in every jurisdiction or might not be sufficiently known because of a lack of analysis. In South Africa, the connections between Eskom’s unsustainable debt, fiscal bailouts which undermine welfare spending capabilities, market reform, the cost competitiveness of renewable energy and the country’s climate commitments, were among the factors that enabled the opportunity for a JETP. For other countries, other issue-complexes will have different design implications for a potential JETP.

Despite abundant Renewable Energy Potential (REP), Nigeria is one of the lowest renewable energy consumers per capita in Africa, with the country still largely dependent (75%) on gas-fired powered stations for its electricity. Besides gas-based electricity generation in the country is uses inefficient natural gas technology alongside some poor-burning coal-fired generating stations. A large portion of the country’s population depends on inefficient and costly diesel and petrol combustion engine generators to meet their inevitable energy needs. Nearly 77 million Nigerians are currently without access to electricity. Despite fossil fuel resources and huge renewable potential only about 45% of Nigerians have energy access. A potential just energy transition partnership in Nigeria will have to consider these specific challenges: drastically increasing access to modern energy for households and for economic actors, while also drastically increasing the efficiency of the energy system in a balance that involves combining climate mitigation with energy access. The Nigeria’s ETP shows some sensitivity to this climate-development tension by stressing that the proposed transition will create thousands of jobs and enhance energy access while also tackling climate change even though the plan lacks detail on exactly how the jobs promised might be realized. Perhaps more critically, it has also been pointed out that the ETP was not developed through a consultative process involving local think tanks but rather by international consultants using proprietary modelling tools. The implication is that the methodologies and assumptions behind the numbers cannot be independently verified.

In Senegal, research and modelling capacities are being developed for the energy and other sectors as Enda Energie, who authored the Senegalese paper, is also part of the Deep Decarbonization Pathways project. Their current study is based on a stakeholder consultation that gives the temperature of the debate today: “Country’s commitment requirements through the NDC under the Paris Agreement must reposition energy transition on a trajectory of low carbon optimization and resilience of the energy system itself. Even if the stakeholders in the dialogue agreed on gas as a transition energy, they pleaded that the use of natural gas should not trap the development of renewable energies and that the resources from gas exploitation should progressively finance the transition to clean energy. This is especially important because energy transition is one of the four systemic transformation clusters selected in the initiative to co-construct a long-term low-carbon and climate change resilience strategy for Senegal.” For the Senegalese stakeholders the priority challenge for a just energy transition in Senegal is “to ensure energy sovereignty that guarantees first and foremost universal access to low-cost, low-carbon energy services and the economic empowerment of citizens and the competitiveness of industry.” 93.6% of the urban population and only 42.3% of the rural population in Senegal has access to electricity (2018).

Any JETP discussions, as those underway between Senegal, France and Germany will need to start discussions from and provide answers to the development and industrialization needs of the country. There are signs that official discussions are moving forward from a binary debate around pro or against gas to questions of how gas is deployed, which will define whether this deployment is envisaged as a transition solution to renewables or as an energy seen as a long-term solution with the risks of lock-in associated with the transition...moving from a taxonomic (or exclusion list) approach to a trajectory/pathway approach.

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21 Deep Decarbonization Pathways Project | IDDRI
Whereas narratives around just transitions sometimes have a narrow focus on “transitioning from a fossil fuel intensive energy system”, in contexts like Senegal the narrative needs to be broader and include questions like “transitioning where to and for what?” structuring the debate around a climate compatible development and industrialization trajectory in the long term. If we do not discuss energy access for industrialization, a JETP narrative for African countries will not function. A JETP narrative for African countries needs to be framed about a step change to unlock an energy system that is currently neither efficiently delivering on access to energy for all and access for industrialization nor delivering on decarbonization. With such a framing, country partnerships, be they called JETPs or something else, can make sense beyond the issue of phasing out coal.

The three countries examples also show that this necessitates a pluralistic debate about different pathways to reach these objectives, based on scientifically sound analyses of these scenarios. A reflection on South Africa’s framing, which is, as known through the broader information available from the processes underway in that country, of a very fragmented and robustly diverse narrative around the just energy transition. Broad agreement exists around the imperative of the transition, but the framing was challenged by different views on the pace, focus and trade-offs in the process. The fragmentation in this instance was not a distraction, but helpful because having the diversity of framings at country level strengthens the quality of the transition and the socialization thereof. It is not a homogenous process, or only up to one stakeholder to lead the framing. An essential component of the framing is also understanding what the sequence of the transition is to facilitate the “just” outcome. It is essential to hold space for what appears to be “fragmented” and not apply reductionist approaches to the science-based evidence or the social dialogue underlying the just energy transition narrative, and the formulation of JETPs. The plurality is essential, and the social, political, and economic trade-offs are inevitable.

Considering the many faces of justice: distributive impacts of energy transitions on communities and workers, as well as on future employment opportunities

The third issue that emerged from the scoping papers is how to consider and embed justice as an integral part of the just energy transition within a country and the key aspects of justice that should be considered. The justice dimension of the international partnership will be addressed hereunder in a specific section.

Globally the “just transition” narrative initially emerged at COP24 in Katowice with the Silesia Declaration to describe the need to consider the needs of workers of the coal industry in the policies to phase out coal. Further developments by the International Trade Unions Confederation, for instance, have enlarged this perspective to the needs of all the workers in the structural changes linked to the decarbonization of all sectors of the economy. The three case studies, across countries with very different levels of fossil fuel intensity of their economies, and the Êkâm discussions, give some first elements of response on what just energy transition can mean in different contexts but further in-country and cross-country analyses will be needed.
Reflections from South Africa, Nigeria and Senegal

Just Energy Transition Partnerships in the context of Africa-Europe relations

The South African JETP being most advanced, it is also the most conceptualized. The Presidential Commission defines three principles of justice particularly relevant for phasing out coal but that could be transposed into other contexts:

**Distributive:** which means that "risks and opportunities resulting from the transition must be distributed fairly, cognizant of gender, race, and class inequalities. It is essential that impacted workers and communities do not carry the overall burden of the transition, and the costs of adjustment are borne by those historically responsible for the problem."

**Restorative:** “Historical damages against individuals, communities, and the environment must be addressed, with a particular focus on rectifying or ameliorating the situations of harmed or disenfranchised communities.”

**Procedural:** "Workers, communities, and small businesses must be empowered and supported in the transition, with them defining their own development and livelihoods."22

The Senegalese study identifies issues of justice with regards to land and access rights: “The deployment of renewable energy technologies (solar, wind, biofuels, etc.) with injection into the grid is an irreversible trend. However, local governments are ringing alarm bells to make this new dynamic more just and equitable. Many communities are giving authorization for land occupation to solar investors who produce and sell electricity through the interconnected grid without any guarantee of access for the local population. This social injustice must be lifted by, among other things, the supervision of communities through the erection of a local content of solar power plants with injection to the grid.” It has also identified fishing communities as particular vulnerable communities. It also touched upon an issue that is specific to countries having discovered fossil fuel resources in an era of climate emergency: how to manage the expectations of citizens that place a lot of hope in potential revenues generated by the exploitation of these resources, if securely placed in a fund to invest in supporting the countries sustainable development needs?

The Nigerian paper identifies justice as important across multiple of scales. First it says that some stakeholders feel there is a need for a clear discussion about the extent to which JETPs represent real tools for energy and climate justice between Europe and Africa. One question, is whether the funding for the energy transition provided by consortium of donor countries count towards their USD 100 billion international climate finance pledge or whether it is additional. Within the country, energy transition also raises several justice issues including how to move away from oil and gas without endangering the welfare of hundreds of thousands of oil and gas workers and their families whose livelihoods depend on oil as well as how to ensure both procedural and substantive justice for communities that will host large scale renewables projects.

The view that emerged from the three papers emphasizes thus two main elements:
- the participation of all local populations is vital in designing and implementing just transition that is truly just in taking into account the need of all that will be affected by the transition,
- the issue of future jobs and employment is extremely central in all African economies, given the magnitude of the increase in workforce to be expected in the coming decades, which explains, alongside the need to capture more added value, the emphasis put on industrialization processes; in this context, justice is not only about the needs of current workers, but also about the needs of the next generation of workers.

Both issues cannot be addressed without the proper in-country capacity to analyze distributive impacts of different future energy transition pathways on existing communities and workers, and on the opportunities offered to future workers.

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Defining the “P”: What change in the partnership and what for?

A JETP is essentially about an opportunity for a step change in the international partnership between a country and international partners, that is supposed to help bring about a nationally defined step change in the energy system of the country.

The main issue of justice and fairness in this perspective is that the discussion needs to start from the needs of the country at stake, to define the objectives of the transition and appreciate the disruptive effect that transitions have on lives and livelihoods.

Once the specific objectives of this step change in the energy system of the country are defined (see former sections), bringing about such a change means first identifying social, but potentially also institutional, political and technical barriers and blocking factors or major lock-in risks and second analyzing where and how an innovative financial partnership could play a catalytic role. JETPs that are to be truly effective, efficient, and catalytic of socio-technical system transition in developing countries will require multi-faceted design and implementation systems that challenge the traditional way in which development and climate finance is deployed and programmed. This means in return to the step change required domestically, a step change in partnership in terms of governance, additional amounts and modalities should be offered.

In South Africa, the research and evidence available was helpful in identifying various barriers and the potential of an innovative partnership. Detailed modeling and analysis increased understanding of two critical barriers to South Africa’s successful and just navigation of its energy transition – that of electricity market form and Eskom’s financial crisis. The modelling saw a potential to link these identified barriers and the debt problem to the global mitigation imperative, and hence identify a role for climate finance. In Senegal, the discussion on identifying key barriers is ongoing.

Analyzing key barriers for Senegal to leapfrog to large scale renewables for its industrialization (lack of access to electricity storage technologies was mentioned by some) is an important and contentious question that would be worthwhile exploring further through analysis.

In each country context it is necessary to discuss if such a theory of change, using a step change in financial partnership to overcome the technical, institutional barriers as well as political economy resistances, seems realistic, given the specific financial, technical, organizational, and political situation of respective countries under consideration. The timing of the proposed “platform” and its consistency with the larger context of the policy/political agenda in the country is important: for instance, the longer term process of energy market policy reform, the fiscal capacity of the country, and the social context of the transition, i.e. the degree of disruption on livelihoods and the interventions necessary to alleviate the impacts, and offer new development pathways for affected sectors and community.

Agreeing on clear outcomes seem important in the partnership design. These outcomes might differ from one context to another, but additional GHG emissions mitigation or avoidance needs to be part of it to make sense from a climate perspective. A step change in the efficiency of the energy system is also part of the equation, to ensure that new financial resources and new energy sources are not pumped into a system with high energy losses. This transition finance design and of itself requires significant innovation on an institutional level both within the respective country and within the international climate finance architecture, together with a ramp up of ambition on both sides.

The South African study was primarily drawn on preparatory work and mentions two important design ideas for JETPs:

Identify the outcomes that matter and ensure these link to the primary metrics in the JETP.

Design for uncertainty and opportunity, building desirable feedback loops to orientate the direction of the just transition.

One idea to link JETPs to desirable climate outcomes would be to link it to the revision of NDCs and the development of Long-Term Strategies (LTS). France and Germany are currently negotiating a JETP with Senegal ahead of COP27. The role of gas has long been contentious within these discussions. There might be an opening on the financing of gas in Senegal provided that the country develops an LTS that seriously deals with questions around timescale and analyzes the complementarity between electricity from RNE, H2 and gas over time, being aware of the risk of stranded assets.

Donor coordination can be a challenge for JETPs. Some organizations have warned that the lack of transparency (both for the domestic policy and political debate, and for the interactions between domestic actors and international players) and of a clear work plan could lead to the JETP’s failure.23 24 This is not new and JETPs could be a way to make progress in this classic development finance challenge, because it is based on defining the investment plan corresponding to the country’s needs. However, the number of different donor countries first increases complexity: their representative institutions have their own terms and conditions regarding the disbursement of funding, and the South Africans have reported difficulty with lack of donor coordination. This has made it a challenge to reach consensus with the investment plan (Sgauzzin, Dlouhy & Ainger, 2022)25. The details of the South African deal still hang in the balance. Critical questions remain around whether the money should be targeted to the phase out of coal and development specifically or could be used for other purposes as well (eg South African negotiators have pushed for the development of green hydrogen) or around the nature of financial promises (grants, loans, concessionality of these loans?).26 A recently leaked summary indicates that a vast majority is set to be loans.27

Ultimately, whether a raft of developing country JETPs will ultimately be able to respond to the urgency and scale of the just energy transition need will hinge on the extent to which they represent a step change in the history of climate finance. How will JETP’s differ from traditional climate finance? Will the ‘country platform’ structure deliver, both financially and in terms of domestic policy and planning co-ordination and galvanizing political and implementation intent? What will be different in scale, quality and delivery of finance? Developed countries have an obligation to assist developing countries under the UNFCCC. The JETP affords a platform for identifying country-specific needs at programme level, over a period of time and securing predictable and accessible funding for same period. The South Africa JET Investment Plan was formulated as a country-owned approach, whether or not funding existed or not, the nature of the plan does not change. The plan is not designed for financial partners, it is designed based on the need and allows the financial partners to have entry points for which to engage on basis of those needs.

A current challenge in development and climate finance is an increasing lack of trust and contested accountability models.28 Getting the Accounting right and transparent in JETP designs will be important for trust building. Relevant questions are: what financial models and accounting systems are used to decide these deals, how transparent are they and who controls them.

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Possible Factors for good JETP processes

- **Evidence** is an important component for strengthening the motivation for a JETP, and its ultimate effectiveness, efficiency, and catalytic ability. Evidence-based insights can articulate different barriers to energy transition as well as link them to country-specific JETP designs that can solve these. It is impossible to design a JETP without in-country independent expertise needed to feed the national debate on just energy transition. Such evidence is also essential for establishing robust Long-Term Strategies (LTS) that would be an important basis of discussion for a JETP. As an example, the discussion about the relevance of gas development for industrialization in Senegal cannot be solved without proper independent in-country expertise (issues of timescale for development, complementarity between electricity from RNE, H₂, and gas, over time). Investing in in-country expertise and analysis should therefore be a priority for the Africa-Europe partnership. Capacity building for developing long-term visions and decarbonization pathways and for building a shared vision of the basic medium-term economics have been identified as important across the three case studies.

- Having a well-articulated and phased country-driven plan is an essential element for a JETP. Such a plan should be a time-defined investment plan (eg over a 5 years period) with strategic levers that offer a sense of needs, and costing and the quality of finance needed from different sources (internal/external; private/public). The three country studies are contrasted but show the necessity to build this plan via a process of negotiation between stakeholders (first in the country and with international partners). It needs trust building between various stakeholders, which necessitates time. This process is necessary to navigate the political economy of change upstream of any political declaration, ensure the legitimacy of the proposed deal that it is based on the country’s needs through the mobilization of national expertise and counter expertise, and ensure the maximum chances that implementation will also succeed. There is a balance to strike between a long consultative process and the urgency to act and maybe also the urgency perceived by some countries to seize the current trend of JETP while unsure how long it will last, and knowing that the willingness to negotiate country deals might not be infinite. However, rushing the process is not promising. Enda Energie in the Senegalese paper call upon European partners to help Senegal “develop a long-term strategy and a just energy transition action plan,” explaining that Senegal “needs to define a consensual vision that goes beyond the timeframe of the Energy Sector Development Policy Letter, which has a 5-year horizon. In this perspective, the exploration and development of low-carbon and climate-resilient trajectories will be of considerable help to policymakers in defining and implementing the necessary regulatory, technical, and financial frameworks. Indeed, the planning and modeling exercise of the energy transition to 2035 or even 2050 will allow to make appropriate strategic and technological choices to guarantee universal and modern access to energy services and to contribute to the climate change mitigation policy.” As indicated, the Nigerian government has launched the first Energy Transition Plan (ETP) this August and ahead of COP27 roadmap to tackle the dual crisis of energy poverty and climate change in the country. It was developed by international consultants McKinsey working closely with the Office of the Vice President of Nigeria. The ETP was subsequently endorsed by the country’s National Executive Council and considered as Nigeria’s pathway to achieving net-zero carbon emissions by 2060. The ETP, is audacious about the scale of system change and innovation that will be required to achieve Net Zero by 2060 including for example building approximately 6.3 GW of decentralized renewable capacity ~5 GW p.a. solar capacity by 2030, achieving 42 GW of centralized capacity by 2030 and 80% of passenger cars transition to EV by 2060. Government says it will cost $1.9 Trillion to get to Net Zero by 2060, including $410 Billion above projected usual spending. This additional cost translates to about $10 billion annually. One of the narratives is that the plan should result in significant net job creation, an important issue for Nigeria, with up to 340,000 jobs created.
by 2030 and up to 840,000 jobs created by 2060 driven mainly by the Power, Cooking and Transport sectors. When the government launched the Plan earlier in September this year, they only managed to attract a paltry pledge of about 3 billion from the World Bank and the conditions of the pledge was not fully clear. On the question of what Nigeria can do by itself, Integrated Africa Power in the Nigerian paper states that “the country must give room for competitiveness of the renewable energy sector by totally removing subsidies from fossil fuel products in the country. While it is true that financial support from international organizations and partnerships are important, it is also paramount that the country begins to find ingenious ways to source funds locally for the energy transition plan to become a reality.”

Building legitimacy around a country plan is not only dependent on quality of research and evidence but also on getting the political economy right. Whoever wants to put the possibility of a JETP on the agenda, be it independent or public actors, need to think about: who needs to be on board? Who could be key advocates? For the South African case for example, it was essential to get Eskom on board in discussing a Just transition approach, translating it into their own views and advocating it. Who is promoting JETPs matters. A key argument for moving the just transition concept forward, is the presence of an official mandate, political support and institutionalization. In South Africa, both the Presidential Climate Finance Task Team and the Presidential Climate Commission provide the opportunity for the necessary collaborative stakeholder participation. The Presidential Climate Commission (PCC) which began its work in 2021 has been indispensable for legitimizing and facilitating a national conversation on a just energy transition, and for considering research and analytical work in a moderated space to better understand the nature of the transition and its financing and other needs. The Presidential Climate Finance Task Team, established directly as a result of the JETP Declaration, has the all-important state-mandate and presidential backing to negotiate and balance interests in the JETP, both domestically and between the developed countries and South Africa. The Senegalese paper calls for the development of a culture of an inclusive multi-stakeholder dialogue and the ease of creating spaces for policy dialogue around the JETP issue in Senegal where emerging JETP discussions currently lack transparency.

Finally, to get stakeholders on board the framing of the narrative of accelerated energy transition as an opportunity rather than a risk was important in the South African context, which may well ring true in most African contexts and is useful to strengthen broad local support. The South Africa scoping paper says: “This opportunity is heightened in the context of the country’s ever-worsening loadshedding (Council for Scientific and Industrial Research, 2021) which is taking a huge toll on economic growth, jobs and skills retention. Renewable energy is both the cheapest and quickest way of getting power onto the grid in the South African context (Meridian Economics, 2022). Elaborating the economic potential of a large-scale renewables investment programme for South Africa was typically better received by stakeholders than a focus on phasing down coal.”

Finding the right narrative is also relevant for between the country and international partners. The Senegalese scoping paper asks European donors to promote a diplomacy focused on the requirement of universal access to energy services to reduce energy poverty while moving towards the transformation of local value chains and the professionalization of local entrepreneurs. They also suggest supporting research and development within the framework of a development and technology transfer programme focused on improving the national innovation system. Designing JETP around development needs such as the investment in local innovation, value chains, industrialization is particularly relevant for Africa-EU relations.
