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by the German Bundestag

The Just Transition Toolbox for coal regions – knowledge needs in the South-East-Asian context

Expert exchange series on Just Energy Transitions in Coal Regions
No. 01



Agenda



Timon Wehnert, Wuppertal Institute

Welcome & Moderation



Joscha Rosenbusch, GIZ

Introduction of IKI JET Project



Jannis Beutel, Wuppertal Institute

Toolbox for Just Transition in Coal Regions



Dr. Srestha Banerjee, iFOREST

Discussion:
Challenges and Knowledge Needs of
practitioners in at coal regions in Indonesia,
Thailand and India



Dr. Chalie Charoenlarnopparut, SIIT



Marlistya Citraningrum, IESR

Housekeeping

- Use the chat for questions for the Q&A.
- The session will be recorded, and the recording will be available afterwards.
- If you want to listen to the presentation in English, the simultaneous language interpretation feature can be accessed by pressing the '🌐' (Globe) icon. Select the 'English' option for interpretation into English.
- Bapak/Ibu Peserta, apabila ingin mendengarkan pemaparan dalam Bahasa Indonesia, fitur penerjemahan bahasa simultan dapat diakses dengan menekan tombol '🌐' (Globe). Pilih opsi 'Indonesian' untuk penerjemahan dalam Bahasa Indonesia.

The IKI JET Project

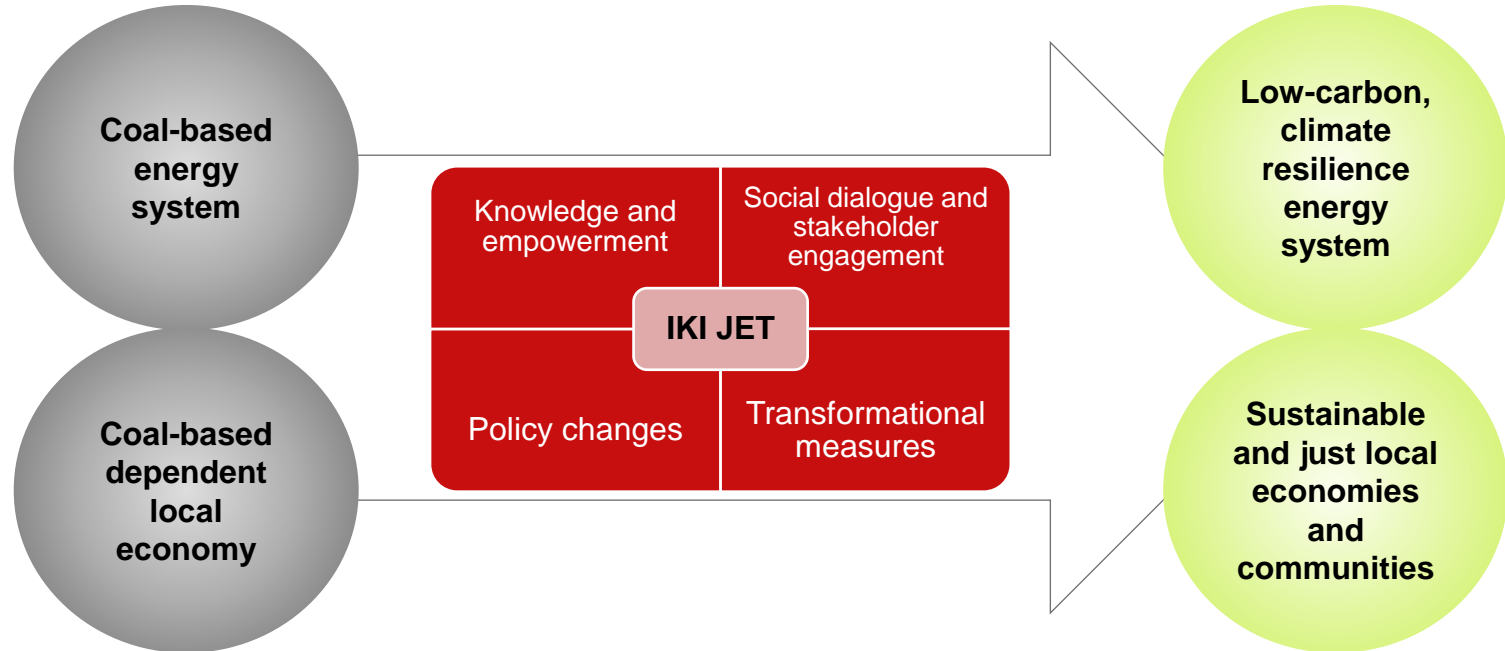
“Innovation Regions for a Just Energy Transition”

Just Energy Transition in Coal Regions - Inter-regional Platform (JET-CR Platform)

Donors	International Climate Initiative (IKI) of the Federal Ministry for Economic Affairs and Climate Action (BMWK) and jointly financed by the EU Commission – DG INTPA, Global Challenges Multiannual Indicative Programme 2021-27 for the JET CR Platform
Objective	Support and accelerate just energy transitions (JET) away from coal to renewable energy and other sustainable economic activities in the Global South
Countries	Global approach with in-depth support to Indonesia and India
Implementing organisations	Consortium composed of: <ul style="list-style-type: none">▪ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH▪ Climate Action Network International (CAN International)▪ International Institute for Sustainable Development (IISD)▪ International Labour Organisation (ILO)▪ International Trade Union Confederation (ITUC) – Just Transition Centre*▪ Wuppertal Institute for Climate, Environment and Energy
Project duration	December 2022 – July 2026 (4 years)

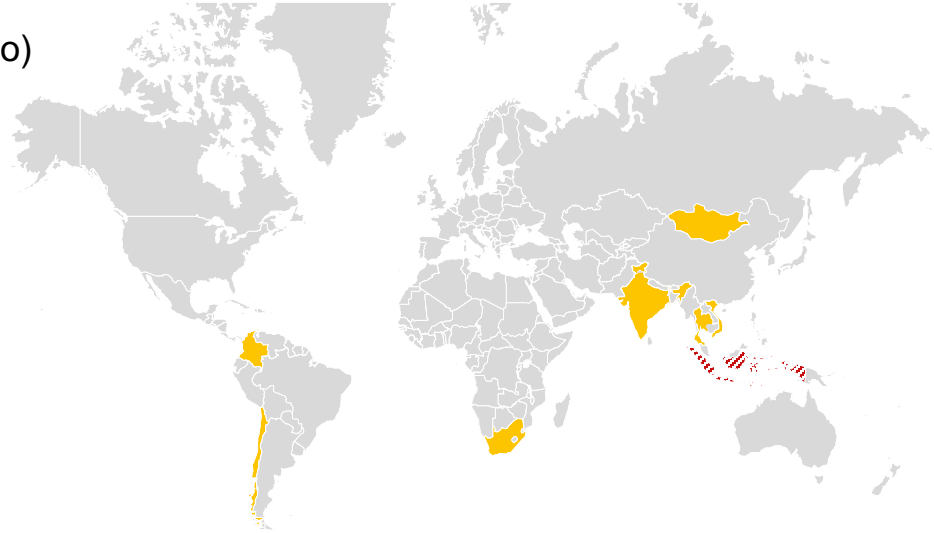
**Participation under review*

Strategic approach to support a Just Energy Transition in Coal Regions



Target countries and regions

- Chile (Antofagasta, Atacama, Biobío, Valparaíso)
- Colombia (La Guajira, El Cesar)
- India (Hazaribagh, Ramgarh)
- Indonesia (East Kalimantan, South Sumatra)
- Mongolia (Nalaikh district)
- South Africa (Mpumalanga)
- Thailand (Lampang)
- Viet Nam (Quang Ninh)

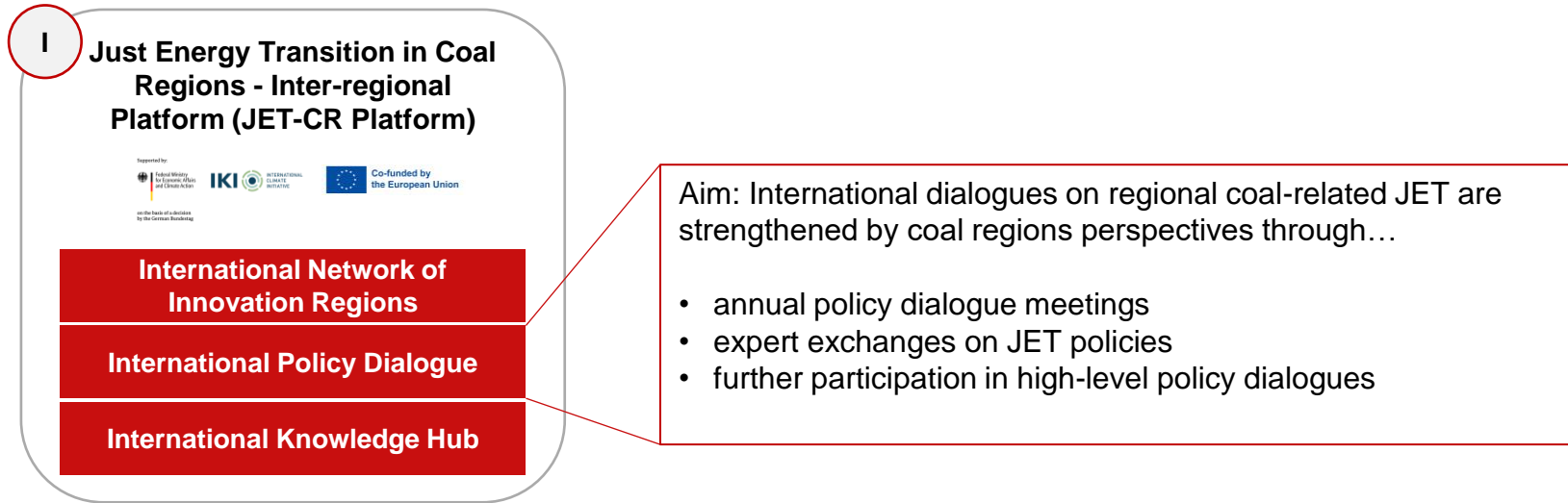


Cooperation with international organisations and initiatives, such as



Expert exchanges as part of International Policy Dialogues

Expert exchanges provide a format to present **best-practices on JET, peer-to-peer learning, and to inform stakeholders about trends and learnings from JET globally**. Through the exchange the project aspires to scale up learnings from IKI-JET project countries.





Input presentation



Just Transition Toolbox

for coal regions

Jannis Beutel, Timon Wehnert

Wuppertal Institute for Climate,
Environment, Energy

May 10th 2023



The Wuppertal Institute

An Overview

- **Founded** in 1991
- **Think tank** dedicated to applied research and sustainability
- **280 staff members**



Transition research:
From problem assessment to real world experiments.



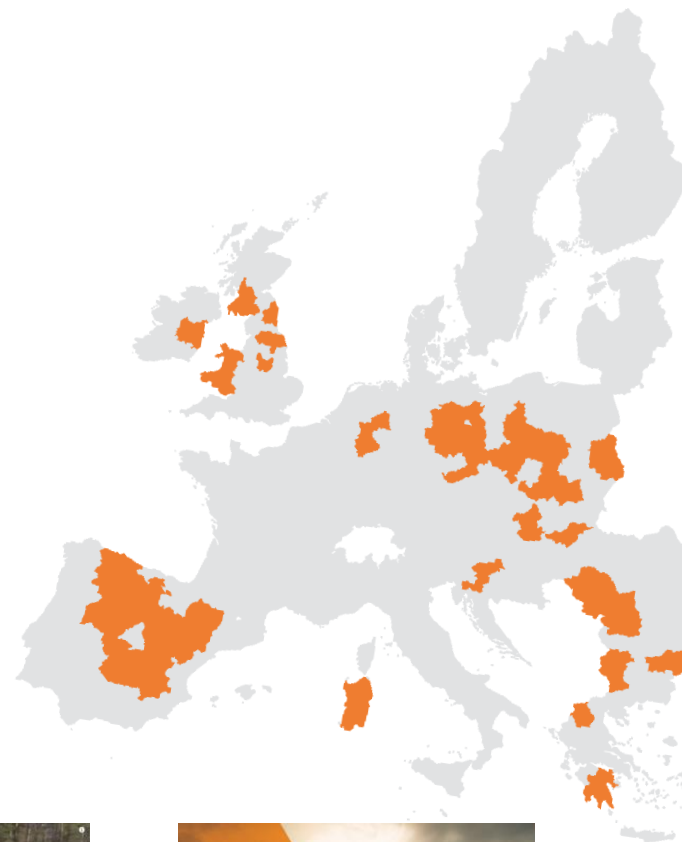
Our Background

Research on transition in coal regions and energy transition

Sustainability (and energy) transitions research in coal regions with a focus on knowledge support for a regional and local level.

Development of practical knowledge materials such as toolkits and case studies.

Facilitation of study visits to foster knowledge exchange among stakeholders.



Key contacts

Research on transition in coal regions and energy transition



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Introducing the

Just Transition Toolbox for coal regions

Available on
coaltransitions-toolbox.org

English, Spanish, Indonesian,
(in preparation: Vietnamese)



SUPPORT MATERIAL

A Just Transition Toolbox for coal regions

INTRODUCTION STRATEGIES GOVERNANCE ENERGY INDUSTRY EMPLOYMENT PREVIOUS PAGE 31

Identifying finance options

Finance is a key issue when it comes to implementing a Just Transition. Turning transition strategies and plans into projects and mobilising resources to support projects can be a major challenge for coal regions in transition, in particular for regions in the Global South and organisations working at the local level, which often face a 'pipeline development problem'. Despite potential policies and strategic planning, early-stage financing for projects is often hard to acquire, bringing the overall transition to a halt in the very first step. A transition strategy should therefore include a dedicated financing strategy that takes fiscal measures into account right from the start.

Designing an integrated transition financing strategy includes:

- Prioritising sectors with the greatest financing gaps and/or greatest possible impact.
- Alignment with the broader investment, fiscal and financing strategies of the region, including infrastructure investments.
- Identifying capacity needs for mobilising finance.
- Developing a flexible vision for the evolution of the financing mix in the region.
- Monitoring the performance of the region in attracting different financing flows and meeting its financing strategy goals.

As funding sources will differ substantially according to the country, region and even individual projects, coal regions should ensure first and foremost that project developers, local administrations and other stakeholders know where they can access support. Figure 9 provides an initial overview of international financing options and technical support schemes.

IN BRIEF

FIGURE 9
Global sources of financing Just Transition

Funding institutions	Type of support
<p>Bilateral and Multilateral Assistance</p> <p>Global Alliance for Just Transition</p> <ul style="list-style-type: none"> UNEP UNEP UNDO GEF DFP USAID CTA DEAT JICA SIDA 	<p><i>Dedicated programmes for just transition support, especially for coal intensive regions</i></p> <p>Grant based support for comprehensive capacity development. Technical support to national, subnational governments and coal communities in developing and implementing just transition plans, policies and implementation strategies through knowledge transfers, co-creation of policy pathways, training, demonstration projects etc.</p>
<p>Development Banks</p> <ul style="list-style-type: none"> WB ADB ERDF EIB KfW JICA 	<p><i>Dedicated lending facilities, products, & services for just transition regions</i></p> <p>Project, policy and programme financing for public sector. Debt and guarantee facilities for private sector investors.</p>
<p>Climate Mitigation Funds</p> <ul style="list-style-type: none"> CTF GEF OCF 	<p>Grant, Equity or even debt funding of specific clean energy, energy efficiency, clean transport, ecological restoration projects.</p>
<p>Private Sector Investments</p> <ul style="list-style-type: none"> MNCs Institutions VCs 	<p>Investments for industrial development of coal communities to rehire and reengage direct and indirect coal workers.</p>
<p>Global Just Transition Support Fund</p>	<p><i>Dedicated pool of funds for coal workforce related initiatives, including interim unemployment compensation, retraining and reemployment facilitation. Payments for closing of mines and plants.</i></p>
<p>Private Foundations & CSR Funds</p> <ul style="list-style-type: none"> CFP IKKA BMEF Pat & pub Complaints 	<p><i>Dedicated programmes for coal regions</i></p> <p>Community outreach, identification of policy pathways, knowledge creation and capacity building, social infrastructure development.</p>

Source: Umwelt 2021

Concise information for practitioners in coal regions

Practical examples and case studies

Supported by references to further information

INTRODUCTION STRATEGIES GOVERNANCE ENERGY INDUSTRY EMPLOYMENT PREVIOUS PAGE 24

Getting the facts right: information to be gathered

Starting to define the problem may quickly lead to the realisation that more knowledge and certain facts will be needed to provide solid arguments. In fact, the whole strategic planning needs to be based on sound knowledge concerning regional challenges, facts and figures. However, gathering information is a long-term process that requires skills, institutional capacity and cooperation between different stakeholders. Often, data does exist but is fragmented and not easily comparable. As a result, gathering and assessing information needs to be undertaken as an iterative process with a short-term perspective: key facts need to be gathered and analysed – to serve as a basis for the first cycle of strategy development. At the same time, long-term processes should be set up in order to provide input for the implementation and adaptation of the strategy (future policy cycles). This includes gathering and assessing missing data, and continuously updating the most important data.

A key strategic question for regions at this point is 'make or buy?'. There are pros and cons to each option. Outsourcing data analysis can help to speed up the process but developing dedicated capacities in the regions supports longer-term prospects. Decisions need to be made based on the specific situation in the region. However, building local capacities (in administration, nearby universities, research institutes and the local private sector) should be part of any regional development strategy.

Gaining knowledge of the region's assets is crucial, as strategy development must be based on the region's conditions and reflect the existing opportunities. This phase should yield thorough knowledge regarding the region's strengths and weaknesses. Furthermore, each region needs to identify innovation

GOOD PRACTICE




FIGURE 5
OPI-TPP website

Information platform for post-industrial and degraded areas in Silesia, Poland (OPI-TPP)

In Silesia, Poland, the Marshal's Office of Silesia Voivodeship, in partnership with the Central Mining Institute (Główny Instytut Górnictwa-GIG) developed a data source on abandoned industrial sites, the Information Platform for post-industrial and degraded areas in Silesia (OPI-TPP), after realising that new companies often struggle to find a good location to settle in.

[→ Read more](#)

Concise information for
practitioners in coal regions

Practical examples
and case studies

Supported by references to
further information

SUPPORT MATERIAL

A Just Transition Toolbox for coal regions

INTRODUCTION STRATEGIES GOVERNANCE ENERGY INDUSTRY EMPLOYMENT < PREVIOUS PAGE 16

Further resources

International Institute for Sustainable Development (2020): Real People, Real Change Strategies for just energy transitions

This report aims to support governments of both the Global North and Global South in their endeavour to make energy transitions just. It focuses on political and communications strategies for a Just Transition, building on research and case studies of energy transitions that have happened or that are happening in Canada, Egypt, Indonesia, India, Poland and Ukraine.

[→ Read more](#)

Grantham Research Institute on Climate Change and the Environment (2018): Climate change and the Just Transition – A guide for investor action

This guide illustrates the Just Transition concept from an investor's perspective, especially for those with economic, social and governance (ESG) values in mind. It elaborates how investors and companies may engage in regional stakeholder involvement processes to identify the needs of workers and communities and to identify ways to support Just Transition programmes at a subnational level. All of these issues are highly relevant especially for regional governments in coal transition regions.

[→ Read more](#)

World Bank Group (2018): Managing Coal Mine Closure: Achieving a Just Transition for All

This report reviews the World Bank's activities related to coal regions and provides nine lessons for the energy transition in coal regions. Specifically, the lessons in Pillar 2 – People and Communities – present a systematic approach for handling the loss of employment in coal regions, which includes pre-layoff planning and pre-layoff assistance. This framework enables the government to coordinate social response strategies to incorporate a broad range of people in Just Transition process, such as not only coal workers but also those working in ancillary industries; women's issues; labour mobility and (re)training) skills development.

[→ Read more](#)

Stockholm Environment Institute (2020): Distributional Impacts of mining transitions: learning from the past.

This paper examines the gender and age implications of historical mine closures to provide information on current and future energy transitions. It analyses the vulnerability of those who are impacted by the closure as well as the effectiveness of implemented policy responses towards those social groups.

[→ Read more](#)

World Resources Institute: Just Transition and equitable climate action resource center

The WRI hosts a dedicated website that lists a range of good practice case studies in the field of Just Transition, focusing on initiatives by governments, communities and companies that provide lessons for how workers and communities can benefit from the transition to a zero-carbon economy.

[→ Read more](#)

Trade & Industrial Policy Strategies (TIPS): Just Transition knowledge portal

The South African research institution TIPS has curated an open knowledge portal with relevant support materials regarding Just Transition in South Africa. The portal includes short summaries and main takeaways of a variety of reports, strategies, videos, and podcasts. The knowledge portal currently has a focus on South Africa but is expected to be extended to other regions in the future.

[→ Read more](#)

Lochner et al. (2021): Coal and Energy in South Africa: Considering a Just Transition

This book examines the transition away from fossil fuels in South Africa regarding social responsibilities, inequalities, and sustainability. Additionally, it examines the local realities of a coal-producing town in South Africa, Emalahleni, to understand whether a just transition to cleaner energy sources is possible and what implications this global restructuring of the energy industry will have on the local level.

[→ Read more](#)

Concise information for practitioners in coal regions

Practical examples and case studies

Supported by references to further information

Topics of support

**Strategy
development**

Governance

Energy

**Industry
decarbonisation**

**Sustainable
employment**



Panel discussion

Why is Thailand still using coal?

- National policy and environment laws does not limit its usage.
- EGAT (largest state-own power generation company) invested more than 4B USD in coal mine abroad
- EGAT holds 58 out of 62 active coal concession permits.

JET Pathway: Workforce re-skilling

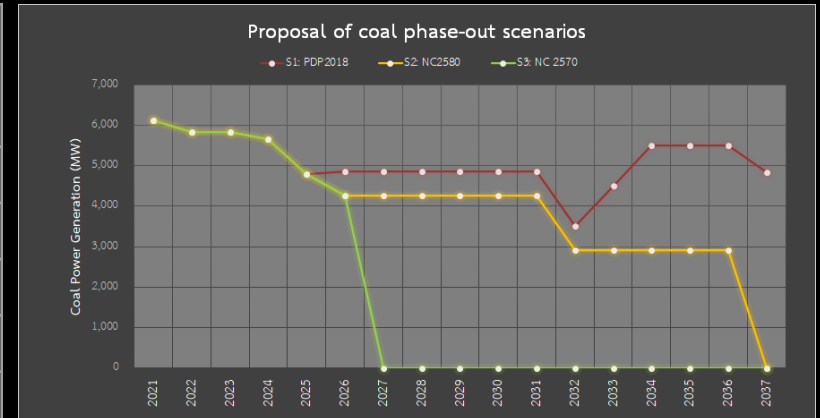
- New skill development
- Smart grid management
- Renewable energy integration planning
- Renewable power plant maintenance



Issue of consideration in coal phase-out:

1. **Energy Security** : maintaining level of reserve margin at 15% above the electricity peak demand
2. **Energy Mixture Balance** : not rely on a single source of energy, creating imbalance and electricity outage risk
3. **Electricity Cost** : not increase the cost of electricity too much that affects the country competitiveness
4. **Just Transition** : manage the energy transition process to minimize the negative impact to the workers and people in the value chain

Type of Energy	Employment Rate (position/MW)	Estimate new capacity (MW)	New position from RE transition (positions)
Biomass	4.31	600	2,155
Biogas	5.69	300	1,707
Solar PV	1.19	3,000	1,190
Wind	0.47	100	47
Total	-	4,000	7,479





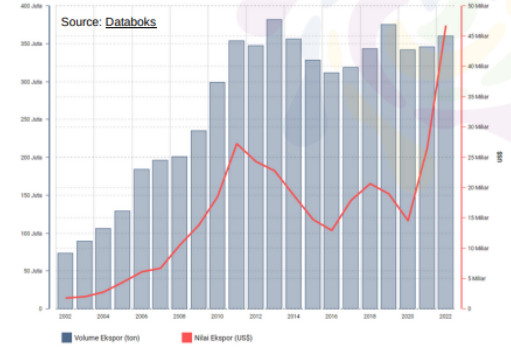
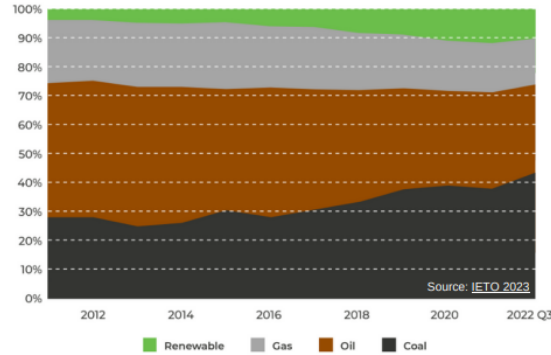
INDONESIA

Indonesia's energy system depends heavily on fossil fuels.

Coal export also contributes to Indonesia's GDP. It reached record-high export value in 2022.



Indonesia primary energy mix 2011-2022



We have ratified Paris Agreement, announced NZE target of 2060, and fostered US\$20b initial investment of JETP.

Transitioning to zero emission energy system and economy will bring numerous benefits - given that adverse impacts of transition are mitigated properly and just.

Out of 38 provinces in Indonesia, coal production is concentrated in only 4: East, South, Central Kalimantan, and South Sumatra.

How to get involved with IKI JET

- For practitioners of coal regions in the IKI JET target countries: **Communities of Practice (CoP)**

1. Strategy: (GIZ) What kind of policy and regulatory framework is needed, to create an efficient and participatory Just Energy Transition process that leads to a socially just strategy and implementation plan?
2. Green and just economy: (GIZ) How to foster the establishment of new industry sectors and business models based on regional assets to reduce the economic dependency on coal and to create green and decent jobs that increase social protection in the region?
3. Energy and justice: (GIZ) How to use the technical energy transition to also improve living conditions, increase social justice, and include the interest and needs of marginalized groups?
4. Mine Closure: (GIZ) How to regenerate and repurpose former coal mining areas in a just manner, to benefit people, climate, biodiversity, and the regional economy

Contact: iki-jet@giz.de

Two CoPs will have a regional focus:

5. Southeast Asia (ILO)
6. South America (GIZ)

Two CoPs will have a target specific focus:

7. Civil Society (CAN)
8. Unions (ITUC)

- For anyone interested in JET policies:

Next **Expert Exchange** on Gender in a Just Energy Transition, invitations will be sent out in advance

- For stakeholders of coal regions in the IKI JET target countries: **Study Tour Europe 2023**

When? 21.10.2023 - 29.10.2023

Where? Berlin area & Cottbus (GER), Brussels (BEL), Limburg (BEL) & Rhenish mining area (GER)

Thematic focus: Transition of coal regions

Contact details for getting involved in IKI JET

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Thank you for your participation!

Link to Just Transition Toolbox

<https://www.coaltransitions-toolbox.org/>

Any person who believes they may be harmed by an IKI project or who wish to report corruption or the misuse of funds, can lodge a complaint to the IKI Independent Complaint Mechanism at IKI-complaints@z-u-g.org. The IKI complaint mechanism has a panel of independent experts who will investigate the complaint. In the course of the investigation, we will consult with the complainant so as to avoid unnecessary risks for the complainant.

More information can be found at:

<https://www.international-climate-initiative.com/en/aboutiki/values-responsibility/independent-complaint-mechanism/>



Acknowledgement

The project “Innovations Regions for a Just Energy Transition” is jointly funded by the International Climate Initiative (IKI) of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and the European Commission’s Directorate-General for International Partnerships (DG INTPA) for the Just Energy Transition in Coal Regions (JET – CR) Interregional Platform.

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