## PRINCIPLES FOR A FAIR JETP



## BY RECIPIENT COUNTRIES

# Preamble

- 1. In June 2023, members of civil society and community based organisations from different countries gathered to reflect and respond to a new form of climate financing, Just Energy Transition Partnerships (JETP). At this time, JETPs had been announced in South Africa, Indonesia, Senegal and Vietnam with donor countries including the United States of America, the United Kingdom, France, Germany and the European Union. Climate finance is not new, but the JETPs offer pledges to mobilise finance to decarbonise carbon-intensive energy systems whilst acknowledging and responding to the socio-economic impacts of this transition.
- 2. Civil society has long been critical of the culpability of international finance processes, players and institutions in global inequality and the climate crisis. We gather as recipient countries of JETP to bring together our visions for finance in solidarity. Our vision provides a framework to critique much needed climate finance that is following existing top-down, paternalistic and conditional finance that deepens inequality and further entrenches unequal relationships between the Global North and South. These principles aim to ensure that resources to address the causes and disproportionate impacts of the climate crisis are shaped by the sovereignty of those most affected in the Global South and do not worsen local conditions, whether social, environmental or economic.

- "We call for a future where every aspect of the energy transition contributes to a profound and lasting change. Each of us, every community, should benefit from this change, thus creating a justice centred, more inclusive, and resilient society."
- 4. Historically, global climate governance has aimed to differentiate the responsibilities of countries when responding to climate change as well as to define mechanisms to ensure the globe meets science-based emission reduction targets. In the United Nations Framework Convention on Climate Change (UNFCCC), the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) aims to ensure historically large emitters adopt their fair share of emission reductions, allowing for countries with lower responsibility and lesser means to respond according to their own contexts.
- 5. Within this governance context, climate finance has been a political pariah, leaving those most in need wanting. The Paris Agreement signed in 2015 was the first multilateral agreement on climate change to impose legal emission reduction constraints on all countries. It maintains the predominant role of developed countries in financing (Article 9) and requires them to achieve absolute emission reduction targets across their entire economy. However, it also demands mitigation efforts from developing countries and

- encourages them to move towards economy-wide targets (Article 4). The Paris Agreement (Article 2.1c) calls for making finance flows consistent with a pathway towards low greenhouse gas (GHG) emissions and climate-resilient development, which contributes an element of equity in acknowledging the need for finance to both move away from fossil fuels and towards low-carbon development.
- 6. Nevertheless, recent multilateral climate negotiations under UNFCCC have not made sufficient progress to put the goals of the Paris Agreement within reach. To limit the increase in global average temperature to 'well below 2°C' and even achieve stabilisation below 1.5°C, increased mitigation efforts are now more necessary than ever while the longer the international community takes, the more resources are needed for adaptation, recovering from loss and damage and to transition away from emissions-heavy energy systems.
- Despite international finance targets not being met by 2023, JETPs have arisen to meet the specific need of transitioning carbon intensive energy systems. However, JETPs present both challenges and risks. The design of the JETP finance deal that we have seen so far represents the power imbalance between the global North and global South. Mobilised funding through JETPs are largely through debt-based instruments and the manner in which negotiations take place undermine democratic processes. A lack of general understanding, access to information, coordination and public transparency of the deals threaten overall accountability where resources are critically needed. Some deals have prioritised false solutions, such as gas as a transition fuel, and the private sector's participation. Together, these undermine the justice objectives of the transition, and exclude those most affected from the decision making process.

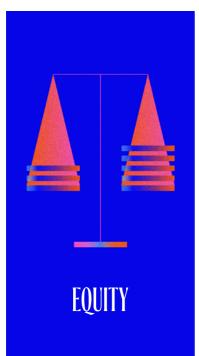
- 8. Our countries need additional, non-conditional finance for the challenges we face, and not the challenges funders perceive we have, and seek to finance for their own interests. As civil society, we believe the transition is inevitable, but the manner in which it is done will be the decider of justice. We need a feminist and human-rights lens in how we acknowledge the power imbalance between those responsible and those affected by the climate crisis. We also need to acknowledge the inequity in the global economy, finance flows and energy and natural resource use.
- 9. We have gathered as civil society in recipient countries of JETPs, South Africa, Indonesia and Senegal, to learn and understand our national contexts and how we anticipate JETPs will influence existing dynamics. A core group of volunteers have collaboratively drafted a set of guiding principles to affirm our power, not as passive recipients of conditional finance, but as those who are owed a climate debt and have the local capacity and vision for solutions to the challenges that face us.
- 10. These principles are based on existing positions and perspectives on JETP, but have been drafted by individuals in our collective with consultation of their constituencies. Each principle has been discussed and agreed on in the core group, and have been opened to a wider audience for comment and validation.
- 11. We envision these principles to be a learning, mobilising and organising tool. Something with which to affirm the demands of civil society and communities in their own vision of local need. They also serve as a capacity building tool on matters of finance and affirm the right to be included. They are interconnected and related, and affirm one another. Our intention is that the principles, and the process of drafting them, must remain fluid, accessible,

- transparent and open to engagement and as such, must empower, strengthen and capacitate civil society and communities to have a voice, regardless of country.
- 12. The just transition we advocate for is indeed a comprehensive approach that learns from the mistakes of the past, the capitalist fossil fuel system, and focuses on a sustainable and inclusive economy, centred on people not profit.

#### **CORE GROUP**

- Alia Kajee (350Africa.org)
- Aly Marie Sagne (LSD)
- Ahmad Ashov Birry (Trend Asia)
- Brighton Phiri (Nu Climate Movement)
- Christian Hounkannou (350Africa.org)
- Glen Tyler-Davies (350Africa.org)
- Mamadou Barry (ASI)
- Ndeye Fatou Sy (LSD)
- Sisilia Dewi (350.org Indonesia)
- Suriadi Darmoko (350.org Indonesia)
- Tshepo Tau Madiba (Enviro Vito)
- Vincent Obisie-Orlu (Good Governance Africa)

# Principles















FUNDING IN JETP





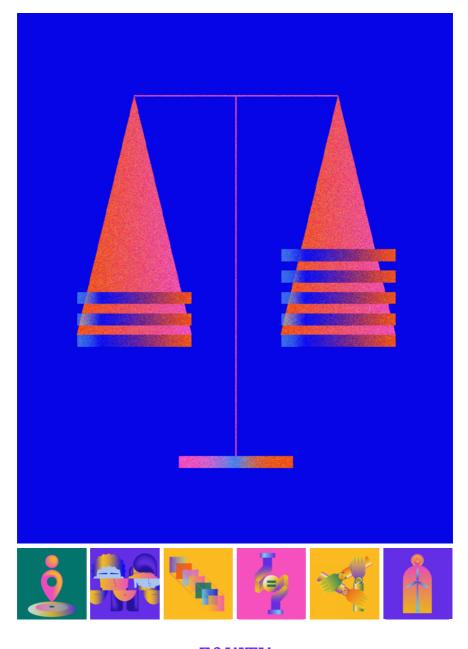
ACCESS TO INFORMATION



ECONOMIC, ENVIRONMENTAL AND SOCIAL JUSTICE

> LOCAL LEADERSHIP







Climate finance must enable equity in climate justice through acknowledging historical events and current inequalities by ensuring fair and meaningful distribution of resources to address climate impacts, as well as socioeconomic challenges.

Climate change does not affect all countries and regions equally. Moreover, countries and regions bearing the worst impacts of climate change are often the lowest contributions to historical emissions.

Equity in climate justice recognises that countries have a common yet differentiated responsibility and ability in addressing climate change stemming from historical injustices such as colonialism, extractivism and underdevelopment that have hindered capacities to sufficiently address the crisis. The international financial system has contributed to the climate crisis through resourcing fossil fuel companies and continues to exacerbate inequality and austerity while hindering regions from adapting to the crisis because of debt conditions created by loans and limited access to resources.

To achieve equity in climate justice for all, the architecture, regulations, and operations of the financial sector must be transformed. Finance should be mobilised in a manner that ensures all groups have an equal opportunity to respond to and address the climate crisis. A critical dimension towards ensuring equity in the JETP process is for communities to have greater levels of participation in decision making around financing, and control in the approval of projects, ensuring that projects and their means of financing meet the best interests of the communities. Further, the types of funding and funding conditions should not undermine goals of equity or justice in the transition.

A climate debt is owed, not just from the global North to the global South, but by local, elite groups to vulnerable and marginalised members of society. Finance must be accountable to social justice, enabling the way for equitable solutions across diverse geographies, classes, genders, races, abilities, and beyond.

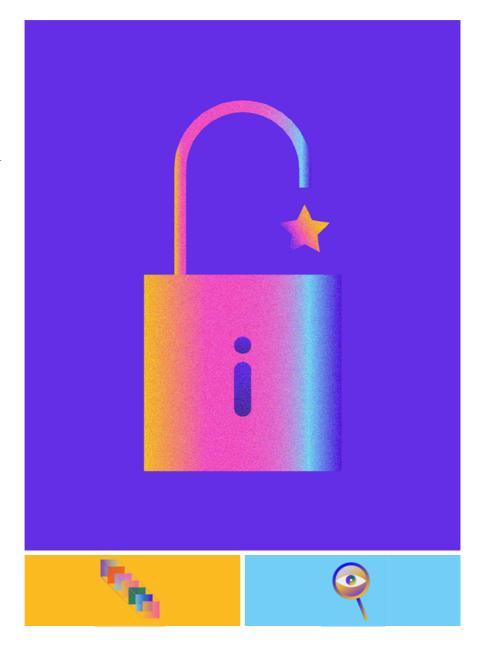


### **TRANSPARENCY**

Transparency refers to the obligation to openly and comprehensively disclose all relevant information to stakeholders well before deals are agreed on, to allow for sufficient consultation. Transparency within the context of JETPs entails that all information regarding energy transition projects and decisions must be made available to the public and stakeholders, in an accessible manner. This includes details about financing, environmental impact assessments and other due diligence reports, action plans, timelines, objectives, expected outcomes, and progress reports at all levels: from planning to execution, including monitoring and evaluation. All public contracts awarded should

also be made public. A dedicated online portal for all JETPs should be established to centralise all relevant information in the various beneficiary countries, and enable the tracking of progress in terms of agreements, project development and the distribution of funds.

Various sets of actors, specifically civil society organisations and communities, should be adequately represented in decision-making bodies. Mechanisms for public consultation to gather feedback and concerns from civil society and local communities should also be included to ensure that relevant information can be meaningfully utilised.



### **ACCESS TO INFORMATION**

The principle of access to information aims to ensure that all stakeholders, including local communities, have fair and easy access to relevant information regarding JETPs. Transparency focuses on open disclosure of information, while access to information is more concerned with how this information is presented and made available to everyone, ensuring that it is presented in formats and languages that are accessible to all in a timely and appropriate manner.

Translation: This involves making information available in multiple languages, especially in relevant local languages for the concerned communities.

Using Understandable Language: This means presenting information in a clear and understandable manner, avoiding technical jargon or complex terms that could exclude some people

Physical Access: In addition to publishing information online, printed versions of key documents should be made available to civil society actors and local communities, especially those who do not have easy access to the internet or digital technologies.

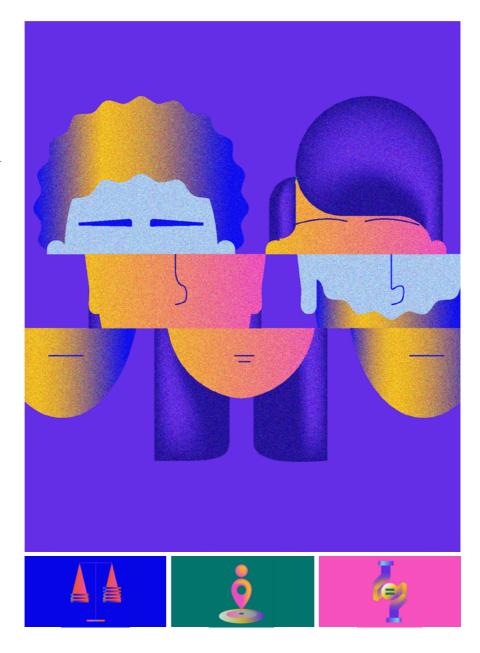


#### **LOCAL LEADERSHIP**

People should own their development process.

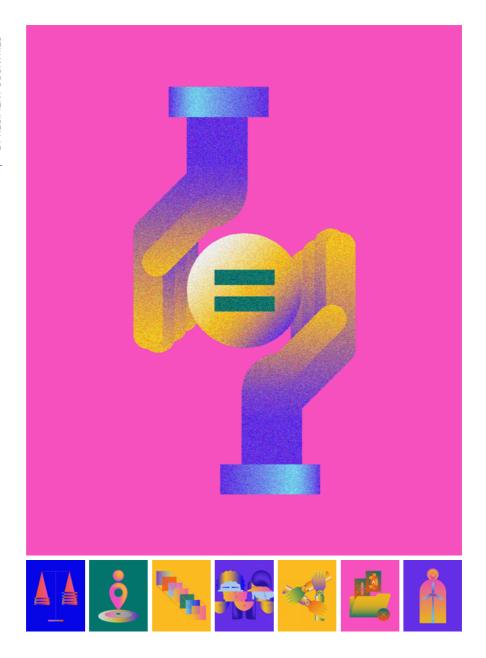
When the donors have too much control in choosing, designing, implementing and evaluating development programmes or projects, by definition they are unlikely to succeed or to be sustained. The host country and the intended local beneficiaries must have a direct stake and sense of ownership at all stages, otherwise projects will not be maintained or will become heavy, unwanted burdens. The donor-driven project not only promotes inequality and dependency, but actually undermines the necessary processes of development where it is needed. Meaningful and equitable development only comes through people and their own institutions taking responsibility, learning from experience, and building up the initiatives and practices needed to sustain progressive development.

Local people must be the ones who set the tone for the agenda by identifying and advising on key priority development areas in order to equitably distribute resources. Programs and mechanisms should be established to support people and communities to take this on.



#### **GENDER RESPONSIVENESS**

JETPs need to champion gender justice where they are implemented by actively addressing gender disparities. Women, non-binary and LGBTQIA+ people need to be specifically considered and uplifted in the other principles. JETP processes ranging from design, implementation and evaluation must include marginalised people, particularly in land ownership, economic participation, decision making and employment in order to prevent further inequalities.



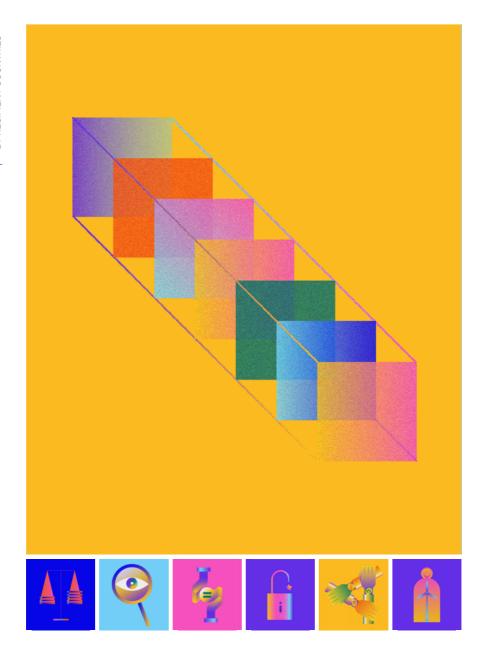
#### **HUMAN RIGHTS CENTRED**

The energy transition is a means for countries to fulfil their obligations in guaranteeing and protecting human rights. Through the distribution of energy to disadvantaged areas, marginalised communities' access to regenerative development and access to justice should be increasingly guaranteed and expand access to universal human rights.

Community-based renewable energy is part of the right to development. The state is responsible for fulfilling the right to development. This will be hindered by debt-based energy transition funding that will focus on large-scale and profit oriented renewable energy development. Energy transitions should not only mainstream large-scale business sectors, but open up space to ensure local leadership and community involvement in the transition. The community is not just a spectator of the energy transition, but should get an important role. Local leadership and involvement in the transition ensures that nobody is left behind. Community-based solutions allow for communities to become owners, managers and users of their own energy whether through new renewable energy plants, improving the grid, or managing plants. Decentralised energy provides an opportunity for communities to be energy sovereign while developing community economies. This necessitates increased grant-based funding.

The reverse applies, the energy transition through JETP must not violate human rights, including economic, social, cultural rights, as well as civil and political rights which cannot be separated from one another.

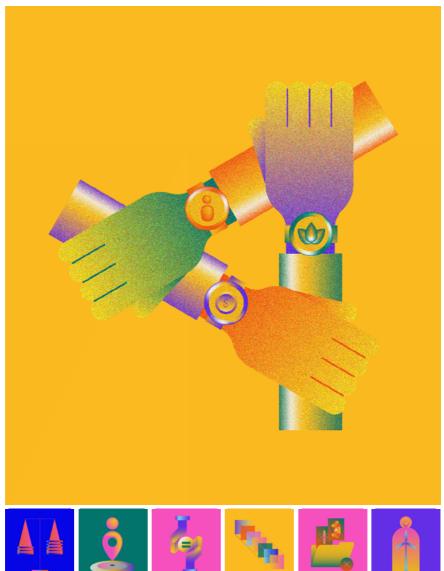
Protection of environmental and climate defenders. The energy transition agenda cannot be carried out "at all costs", but must be carried out with a rights-based approach. In this context, those who fight for an energy transition that is carried out with principles and does not exceed the limits of justice is a component of fulfilling rights that must be protected. JETP must ensure the fulfilment of the prerequisites for a safe democratic space capable of hearing the critical voices of environmental and climate defenders.



### **ACCOUNTABLE**

A democratically elected government is there to serve its people. The government's roles, constitutionally based obligations and institutions also extend to govern JETPs in the public interest. The government should be answerable and be able to give account of any of the JETP processes. It should also be liable for any of the dealings particularly where any processes could infringe upon human rights.

This principle is also supported by the principle of transparency and access to information. Government structures should set a clear line of authority and accountability between different responsible entities. A clear grievance mechanism should be in place and it should be set in such a way that it fairly serves the aggrieved.















### ECONOMIC, **ENVIRONMENTAL AND SOCIAL JUSTICE**

Economic, ecological and social justice are inextricably linked. In a just society, human rights are realised in an equitable way with no discrimination. The principles below expand on the relationships to principles above such as Equity, Local Leadership and Human-Rights Centred. Fundamentally, JETPs should be accountable in terms of achieving justice.

#### **Economic Justice**

Ensure that all segments of society, particularly marginalised and low-income communities, have affordable access to clean and reliable energy services as a human right. Targeted subsidies and support mechanisms should be implemented to bridge the energy access gap.

Foster the development of local economies through industries and job opportunities in the renewable energy sector through the just transition. Encourage the localisation of renewable energy supply chains to create sustainable economic growth and reduce dependence on foreign entities.

Develop comprehensive transition plans for workers in fossil fuel industries, including reskilling, retraining, and job placement programs. Protect their livelihoods and ensure a just transition to green, decent jobs that include worker protections.

Promote inclusive financial mechanisms, such as microfinance and community-based funding models, to enable underserved communities to participate in renewable energy projects and benefit from the green economy in a rights-centred manner.

Ensure that energy transition initiatives do not lead to excessive debt burdens for recipient countries. Prioritise grant-based funding or low-interest loans to prevent unsustainable financial obligations.

#### **Ecological Justice**

Prioritise renewable energy sources with minimal ecological impacts, such as wind, and solar. Implement stringent environmental safeguards and regulations to prevent harm to ecosystems and ensure environmental sustainability.

Engage local communities in protecting and restoring their natural environments. Support initiatives that empower communities to act as stewards of their ecosystems and benefit from conservation efforts.

Promote biodiversity conservation in areas affected by energy transition projects. Conduct thorough environmental impact assessments and implement mitigation measures to protect sensitive ecosystems. Assessments and their processes must be clearly communicated to communities and involve these communities.

Support the investment in research and development, and transfer of eco-friendly technologies and practices that reduce resource consumption and environmental degradation.

#### Social Justice

Ensure the meaningful inclusion and participation of civil society organisations and marginalised communities in the planning, designing, implementing and evaluation of energy transition projects. Promote transparency and accountability in decision-making processes.

Promote gender-inclusive policies and practices throughout the energy transition. Address gender disparities by providing equal opportunities for marginalised genders in the just transition, in the renewable energy workforce and involving them in leadership roles.

Respect the rights of indigenous communities and their traditional knowledge. Recognise indigenous land rights and seek their free, prior, and informed consent for energy projects on their lands and ensure fair participation and compensation.

Establish social safety nets and support systems to protect vulnerable populations from the potential adverse effects of energy transition, such as energy price fluctuations and displacement.

Invest in education and capacity-building programs to empower local communities to actively engage in, take ownership and benefit from the renewable energy sector. This includes training in project management, technical skills, and entrepreneurship.



#### NO FOSSIL FUELS AND FALSE SOLUTIONS

False solutions in the just energy transitions are energies or activities proposed to supposedly address the causes of the climate crisis as they claim to emit less greenhouse gases (for example compared to coal-based energy) or mitigate or reduce existing greenhouse gas emissions. However, in reality these solutions extend the lifespan of fossil fuel energy. False solutions are also those that have high social risks, those that can infringe on human rights or where technology has not yet been tested or they may ensure the energy security in a different country without ensuring local access. What may be perceived as national false solutions may be considered by opportunities to promote and enable economic development.

False solutions that are currently emerging include cofiring, coal gasification and liquefaction, blue hydrogen, gas, carbon capture utility storage/carbon capture storage, nuclear and geothermal which are built by displacing and destroying the environment.

To achieve a clean and fair energy transition, it is fundamental that JETPs should exclusively promote renewable energy. Moreover, renewable energy solutions advanced by JETPs should be something usable and accessible to the broader population of the country. At the same time, when considering the challenge of false solutions, countries must consider what are determined as false solutions at the local, national and global levels.



## **FUNDING IN JETP**

JETP commitments to funding contribute to climate action. Donor countries transition their energy sources with independent funding. However, for development countries with emission-intensive energy sectors, donor countries have committed to enabling the energy transition through finance. This includes commitments to financing adaptation and mitigation. This commitment is undermined by types of funding products and processes such debt-based offers or certain terms and conditions that infringe on national sovereignty and community agency.

Debt-based offers add to the debt burden on national economies which can result in austerity conditions and reduced public spend elsewhere, threatening access to human rights. Further, conditions related to the macroeconomic and microeconomic policy of countries must be interrogated against national interest.

Debt-based JETP funding threatens potential justice-enables such as community-based renewable energy transition solutions because it is considered not as profitable as engaging the large-scale business sector.

JETPs represent public finance from donor countries, and thus public interest. Public oversight in donor countries should ensure that JETPs prioritise the right to development in recipient countries.

Grant-based and conditionalities that ensure national sovereignty would ensure that developed countries' ability to achieve JETPs are accountable to realising Just Transition and thus nationally determined contribution targets.

# PRINCIPLES FOR A FAIR JETP BY RECIPIENTS COUNTRIES