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Principles for Just Energy Transition Partnerships in the African Energy Context

Summary

- JETPs should be partnerships that encourage stakeholders to raise ambition and work collaboratively to curb global temperature rise in line with the 1.5°C target.
- The development of successful and truly "just" JETPs requires transparency, meaningful multi-stakeholder engagement, and good governance
- Financing must be new and additional, make use of a country-appropriate mix of financial tools, and serve the public interest.
- The justice element of JETPs must be a critical part of its DNA and it must be allocated ample funding.
- JETPs in all partner countries must be fossil-free zones and must facilitate the gradual phasing out of all fossil fuels.
- JETPs must finance the non-investable parts of just energy transitions and act as catalysts for further investments in the renewable energy sector.
- JETP selection must be transparent and based on objective measures (such as emission reduction, development indicators, or public financial distress) to prevent "cherry-picking" countries based on geopolitical alignment and interest.
- All partner countries must be working on complying with international human rights and anti-corruption standards.
- JETPs need to be integrated into the wider climate finance ecosystem and used as a mechanism to mobilise more climate finance in all partner countries.
- JETPs should not replace existing commitments to finance other sustainable development goals and lead to situations where climate finance flows primarily through bi- and plurilateral mechanisms instead of UNFCCC multilateral climate funds.
- Achieving just energy transitions in Africa will require solutions that lie well outside the scope of JETPs.

An Introduction to

Just Energy Transition Partnerships

The first Just Energy Transition Partnership (JETP) was announced during the UN Climate Change Conference in Glasgow (COP26). The JETP, which brought together the governments of South Africa, France, Germany, the United Kingdom (UK), and the United States (US) along with the European Union (EU), committed to providing South Africa an initial sum of $8.5 billion to support its decarbonisation efforts. Immediately after the announcement, other countries came forward and demonstrated their interest in establishing JETPs.

The international partners group (IPG)[1]) , which is currently made up the G7 and the EU, are developing four additional JETPs with India, Indonesia, Senegal, and Vietnam[2]. Two members of the IPG have been selected to shape and lead each of the five aforementioned JETPs. During the EU–Africa Summit[3] in Brussels earlier this year, another initiative to design JETPs in Africa was announced and suggested Egypt, Côte d'Ivoire, Kenya, and Morocco as potential candidates[4]. However, to date it is unclear whether these JETPs will materialise.

Despite the increasing attention JETPs are receiving, not much is known about this new concept. Originally, JETPs were conceived as a structure to help emerging high-emitting countries that heavily rely on coal and willing to increase their ambition (e.g. through increasing their nationally determined contributions [NDCs] or putting ambitious national plans in place) to transition away from coal in a socially just way. This includes phasing out coal power generation and supporting clean technology deployment that stimulates sustainable development, while empowering communities that would be negatively affected otherwise. However, it is important to note that the JETP and the energy transition of every country will look different. For example, the South African JETP has prioritised support for electric vehicles, hydrogen and grid connectivity[5].

The "just" part of the JETP concept acknowledges the critical need to assist low- and middle-income countries in taking climate action by supporting affected workers and communities and mainstreaming more equitable, democratic, and sustainable development models. Recently, however, JETPs appear to have expanded their scope and are looking to catalyse more than just coal transitions, as demonstrated by France and Germany's latest move to develop a JETP with Senegal— an aspiring oil and gas producer.

In brief, JETPs can be characterised by:

- A plurilateral approach where multiple countries or political/geographical blocs come together in a coordinated and solutions-oriented dialogue to support transformation in high-emitting emerging economies;
- A commitment from partner countries to increase national ambition in exchange for technical, technological, and financial resources;
- An energy-centric agenda that aims to transition away from fossil fuels.
- A focus on justice as a crucial pillar of national energy transition agendas and the need to provide access to clean energy and new economic opportunities, especially for youth and women, through new industries and incubators for innovation.

1 International Partners Group: Germany, France, UK, US, EU, Japan
2 https://www.g7germany.de/resource/blob/974430/2057418/9a1d62b3c5710b4c1989f95b38dc172c/2022-06-27-chairs-summary-climate-neutrality-data.pdf
3 https://ec.europa.eu/info/strategy/priorities-2019-2024/stronger-europe-world/global-gateway/eu-africa-global-gateway-investment-package_en
4 https://www.elysee.fr/en/emmanuel-macron/2022/02/18/just-energy-transition-partnerships-in-africa
5 https://ukcop26.org/six-month-update-on-progress-in-advancing-the-just-energy-transition-partnership-jetp/

If done right, JETPs could help accelerate aspects of the energy transitions, such as coal phase out. It could also potentially help aspiring oil and gas producers, such as Senegal, to choose climate-friendly national development strategies. However, JETPs could also be misused to serve the geopolitical interests of a select few; reinforce existing inequalities and global power imbalances; and maintain a problematic donor-driven approach to climate finance instead of supporting JETP countries' priorities for clean and sustainable development and growth.

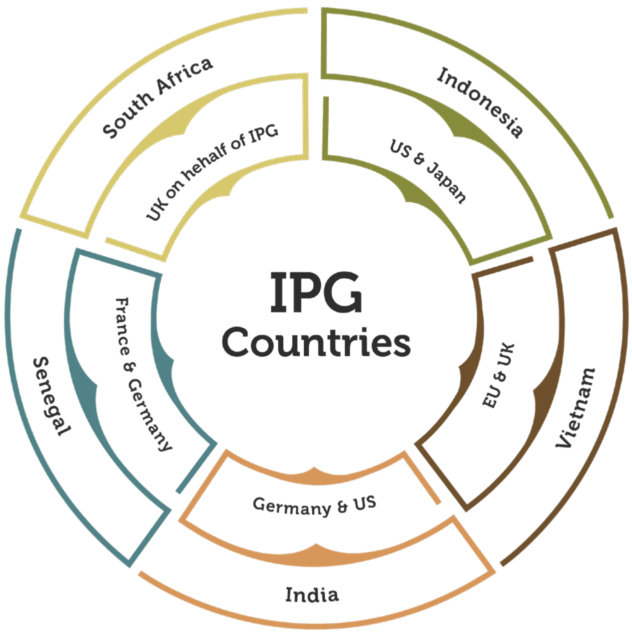
This position paper seeks to

(1) analyse the role of JETPs in the multilateral climate finance ecosystem,

(2) explore the challenges and opportunities of JETP-financed energy transitions in Africa, and

(3) develop principles for establishing and operating truly just energy transition partnerships.

By developing guiding principles for JETPs, we aim to help JETP stakeholders establish a matrix that they can use to assess JETP selection, design, implementation, and impact, in addition to providing civil society organisations (CSOs) with the tools they need to engage in meaningful policy advocacy and support their respective governments in developing new JETPs.



JETP country structure

IPG = International Partners Group

Sorce:
https://www.g7germany.de/resource/blob/974430/2062292/9c213e6b4b36ed1bd687e82480040399/2022-07-14-leaders-communique-data.pdf

Role of Just Energy Transition Partnerships in Multilateral Climate Finance

JETPs need to be integrated into the wider climate finance ecosystem to mobilise more climate finance, particularly from historically major polluters. The JETP concept recognises that these high-emitting countries have a moral responsibility to support the transformative change processes that are necessary for the achievement of the Paris Agreement and the SDGs on a global scale. However, under no circumstances should JETPs replace existing commitments to finance other sustainable development goals, thus leading to a situation where finance flows primarily through bi- and plurilateral mechanisms instead of the UN Framework Convention on Climate Change (UNFCCC) 's multilateral climate funds.

That being said, not only have wealthy countries in the Global North failed to deliver on their commitment of investing $100 billion annually in climate change by 2020[6], but they have also failed to pay their fair share for the role they continue to play in the climate crisis. As they continue to develop JETPs, IPG countries must ensure that JETPs assist in the scaling up of multilateral climate finance and ensure the full delivery of the promised annual $100 billion of climate finance for developing countries between 2020-2025.

Furthermore, IPG countries must ensure that climate finance is invested on a global scale and in an equitable way that addresses the power imbalance between countries in the Global North, which have developed on the back of fossil fuels and are predominantly responsible for the current climate crisis, and the Global South, which are suffering disproportionately from the consequences of these actions. In short, JETPs should be considered an additional financing mechanism which complements existing multilateral climate finance commitments instead of being seen as a replacement.

6 https://www.oecd-ilibrary.org/sites/286dae5d-en/1/2/2/index.html?itemId=/content/publication/286dae5d-en&_csp_=46b868d4f630525e4ccc5f67e501847f&itemIGO=oecd&itemContentType=book#section-d1e206

Samburu Parks in Zentralkenia © Photo by "philou1000" on istockphoto

Role of Just Energy Transition Partnerships in
African Energy Transition

Just Energy Transition in Africa

The African continent is suffering disproportionately from climate change even though it bears the least responsibility for the crisis. At the same time, the African continent struggles to address immediate challenges, such as universal energy access. At present, an estimated 600 million Africans lack access to electricity and another 970 million lack access to clean cooking[7], highlighting the need for urgent action to supply the continent with immediate and reliable energy access. As a latecomer to building foundational development infrastructure, the African continent has the opportunity to leapfrog fossil fuelled development and transition directly to modern, renewable energy systems and green economies. Having said that, the continent's countries are in different stages of their energy transitions, with some already taking concrete steps towards socially just energy transitions.

While countries like Morocco, Algeria, Egypt, and South Africa have made good progress on providing energy access to their populations, these countries are heavily dependent on fossil fuels either for export and/or domestic use. Morocco, for example, has small domestic fossil fuel reserves and therefore heavily relies on energy imports, while ambitiously expanding its renewable energy generation capacities. On the other hand, countries like Algeria and South Africa built their economies on fossil fuels and are, therefore, highly dependent on the export revenues they generate. Other countries, particularly in Sub-Saharan Africa, have yet to build the basic infrastructure required to provide energy access to their populations. In East Africa, countries like Kenya and Rwanda are capitalising on their large renewable energy potential and have announced ambitious targets to transition to 100% renewable energy by 2030.

Whereas some of the continent's long-standing fossil fuel exporters continue to struggle providing energy access to their citizens. For example, Nigeria, Africa's biggest fossil fuel exporter, has the largest energy access deficit in the world even though it has benefited for over 65 years from the extraction and exportation of oil[8].

7 https://www.iea.org/reports/africa-energy-outlook-2022/key-findings
8 https://www.worldbank.org/en/news/press-release/2021/02/05/nigeria-to-improve-electricity-access-and-services-to-citizens

Then there are the so-called "newcomers," like Senegal and Uganda, which recently discovered large fossil fuel reserves and are aspiring to become oil and gas producers to meet the energy demands of domestic and international markets. These countries in particular are at great risk of being locked into fossil fuel dependency, thus potentially delaying their transition to renewable energy use.

Consequently, just energy transitions in Africa will require either decarbonising or leapfrogging fossil economies, depending on the existing energy sector and infrastructure of each country. Therefore, country-specific energy strategies and regional cooperation need to be developed to accelerate socially just energy transitions across the continent. There is a need for a complete re-imagination of the current energy sectors in African countries and the co-creation of new energy ecosystems that help their respective citizens address the key developmental, social, and ecological challenges they are facing.

This requires, among other things, new financing approaches to prevent African countries from falling deeper into debt, the implementation of new innovative technologies (such as green hydrogen and off-grid renewable energy systems), and capability and capacity building for relevant local and national actors. It also requires effective and comprehensive policy design that takes various social justice issues into account (especially the need for gender mainstreaming) and the development of bilateral and multilateral partnerships and other creative and homegrown frameworks for cooperation from the African continent and for the African continent.

Role of Just Energy Transition Partnerships in African Just Energy Transitions

It is estimated that between $42-67 billion additional investment will be required annually[9] to achieve universal access to clean, affordable, and reliable energy in Africa by 2030. However, to date, international finance dedicated to developing clean energy in Africa is still minimal. The African renewable energy sector receives only $9.4 billion in annual investments, whereas the fossil fuel sector received $29 billion annually between 2016–2021, in addition to government subsidies which amounted to $37 billion annually in 2019 and 2020[10]. African countries also receive substantially less finance for developing renewable energy sources compared to countries in the Global North. Worldwide, Africa and the Middle East receive only 2% of the money invested in the global renewable energy ecosystem annually.[11] Insufficient investment in this sector will inevitably leave most African countries at risk of experiencing lethargic energy transitions, which will hinder universal energy access in the continent and the ability of individual countries to meet their NDCs. This gap in energy financing calls for additional mechanisms and frameworks that will help Africa transition to energy systems that enable access, support resilience-building, and promote sustainable development plans on the continent.

JETPs could play a role in enabling inclusive energy transitions in African countries by channelling financial and technical support where it is most needed and would have the greatest and most beneficial climate impact. This partnership structure could also be a good framework to help countries, like South Africa, decarbonise their economy, move away from fossil-dependent energy systems, and ensure the alignment of their national energy plans with the 1.5°C reduction target specified in the Paris Agreement.

For newcomers to the fossil fuel extraction game, such as Senegal, JETPs could be an attractive structure to help prevent them from potentially locking themselves into an outdated energy system for decades to come. Moreover, the JETP structure specifically finances "just" energy transitions in African countries, which traditionally do not attract much investment. In Africa, just energy transition financing could be used to cover the costs of retraining workers; compensating coal, oil, and gas-dependent communities; providing capacity and capability building for women and youth; and facilitating local, national, and continental development aspirations by catalysing green industrialisation and job creation.

However, it is also important to recognise that achieving just energy transitions in Africa will require additional solutions that lie well outside the boundaries of JETPs' roles and responsibilities. After all, just energy transitions are not only about phasing out fossil fuels and retraining labourers in the workforce, but it is also about a broader transition towards green and sustainable development strategies. This includes supporting the development of green and resilient industries, cities, agriculture, and infrastructure – all of which will be needed to ensure that global temperatures do not surpass 1.5°C of pre-industrial levels.

9 https://www.afdb.org/en/the-high-5/light-up-and-power-africa-%E2%80%93-a-new-deal-on-energy-for-africa
10 https://priceofoil.org/content/uploads/2022/03/Fossil-Fuel-Financing-in-Africa-March-2022.pdf
11 Nick Ferris and Josh Rayman, Energy Monitor's power transition tracker: Europe, the Middle East and Africa, Energy Monitor, November 8, 2021.

Currently, the list of proposed JETPs mainly targets emerging high emitters and larger middle-income countries. As IPG countries provide finance through JETPs they must simultaneously increase their financial support for non-JETP countries, particularly for those who urgently need support to accelerate the development of their renewable energy sector. Climate-vulnerable countries with high renewable energy generation potential and ambitious renewable energy targets, such as Rwanda, Kenya, and Tanzania, would, for example, benefit from tailored financial support to help them achieve 100% renewable energy use. While this could be a promising and complimentary climate finance dispersal mechanism, it would require a lot of capability and capacity to develop individual partnerships with every African country.

With that in mind, it is important to link new and established JETPs to existing regional economic and political organisations, such as the African Union (AU), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), and the East African Community (EAC). Furthermore, African countries' NDCs and the AU's recently announced ten-year climate action plan should play a primary role in shaping future JETPs on the continent.

Also, increasing collaboration between African states will enable the co-designing of partnerships that could be linked to and work in tandem with continental initiatives, such as the Least Developed Countries Renewable Energy and Energy Efficiency Initiative (LDC REEEI), the Desert to Power Initiative, and Programme for Infrastructure Development in Africa (PIDA), thus allowing JETPs' positive impact to spread beyond national borders.

Principles for
Just Energy Transition Partnerships in Africa

The JETP approach is still new and it remains to be seen whether it will successfully help African countries transition to more socially just and renewable-based energy systems. One of the potential strengths of the JETPs is that it could help coordinate the financial and technical support of individual donor states, to avoid the duplication and ineffective use of funds all while raising national ambition and accelerating just energy transitions. However, achieving this will require effective and principled implementation. Otherwise, JETPs could risk implementing transitions that produce ineffectual or harmful change, or perhaps worse, greenwash Africa's future energy and development paradigms.

Selection Process

To be successful, the process for selecting countries that receive JETP support must be transparent based on objective and realistic measures. Consequently, a clear understanding of what the JETP structure should deliver is required. As a structure that aspires to increase national ambition, emission reduction, for example, would be an accurate key performance indicator (KPI) to measure for success and therefore should be incorporated in the JETP selection criteria. Other useful KPIs might include energy access rates, development indicators such as the multidimensional poverty index, or public financial distress. By outlining a clear set of selection criteria based on the objectives of the JETP, key stakeholders can avoid allegations of partiality and nepotism based on geopolitical alignment and financial interests.

It is also vital that JETP partner countries be working towards compliance with international human rights and anti-corruption standards to pave the way for a genuine and long-lasting shift in each country's energy and development paradigms. Both JETP and IPG countries are responsible for ensuring and safeguarding the right of local and national non-profit organisations, grassroots leaders, and other civil society stakeholders to operate without fear of meddling, harassment, or worse. In Vietnam, one of the current JETP countries, leading climate and environmental activists were jailed and the already small space for civil society has become even smaller. Such human rights violations must be strongly condemned and should lead to the immediate termination of any and all JETP negotiations if not addressed by the relevant JETP government.

Principles

Every JETP with an African country should adhere to the following six key principles:

(1) JETPs should be partnerships that encourage stakeholders to raise ambition and work collaboratively to curb global temperature rise in line with the 1.5°C target.

JETPs provide a unique opportunity for plurilateral cooperation that promotes solidarity on an African and international level. However, for this process to be successful, JETPs must be built on the values of mutual respect, trust, and cooperation and enable all partner countries to shape the partnership structure, its content and its goals in an open dialogue on equal footing. First and foremost, this dialogue must recognise that the current climate crisis was caused predominantly by wealthy, historically high-emitting countries in the Global North, therefore, they should spearhead international efforts to ensure that global temperature rise stays below 1.5°C as specified in the 2016 Paris Agreement.

The starting point for any serious JETP negotiation and effective foreign climate policy must be ambitious climate policies at home. In other words, countries in the G7 and EU must demonstrate a genuine commitment to enhancing their national climate ambition in line with the 1.5°C temperature target, for example by adopting new climate finance mechanisms that address existing climate needs, challenges, and opportunities. At the same time, they must support JETP countries to establish and realise equally ambitious national strategies to achieve green and sustainable development and growth through the required financial and technical assistance.

(2) The development of successful and truly "just" JETPs based on transparency, meaningful multi-stakeholder engagement, and good governance.

To date, the JETP formation process is non-transparent and little has been done to meaningfully engage with civil society actors[12]. This is unfortunate, as civil society has the potential to contribute extensive expertise and bestow a level of credibility on the partnership-building process that might mobilise greater public support for a just energy transition in the target countries.

Successfully establishing and executing just energy transitions are a highly complex affair as there are various competing interests and challenges involved. Without relevant or adequate consultation, JETPs run the risk of not being able to address these challenges, including social and ecological concerns, sufficiently. But more importantly, it is simply unfair to exclude the very segments of society who are most affected by these proposed energy transitions. In the long-term, the lack of transparency during the JETP formation and implementation process and insufficient and/or disingenuous engagement with civil society and adversely impacted communities could doom JETPs to a future of ineffectiveness with little popular support and even less legitimacy.

Effective and truly just JETPs demand that the planning, design and implementation process adheres to all procedural justice elements and ensures that all the stakeholders involved practice good governance. This means that all partner countries are responsible for ensuring inclusive and transparent JETP formation processes (including free and unrestricted access to all relevant data, information, and documents) and meaningful multi-stakeholder participation. However, these outcomes cannot be achieved without a cooperative and consultative approach and frameworks that foster dialogue, open debate, and participatory decision-making.

In addition to local and national CSOs, other non-state actors such as universities, trade unions, and businesses should be involved in the JETP formation and implementation processes, and their voices should be heard, and their input integrated in the decision-making process. Special attention also needs to be given to the voices of the communities who are most affected by energy transitions, because their needs are often different and in direct conflict with their governments' priorities. Engaging vulnerable social groups and frontline communities in the design of JETPs, and other relevant just transition plans, enables the comprehensive evaluation of economic opportunities, accurate impact assessment, and the effective prioritisation of transition-related support measures.

12 https://www.powershiftafrica.org/storage/publications/JETP%20CSO%20Lessons__1662967865.pdf


Olkaria II geothermischen Kraftwerk in Kenia © Photo by "Byelikova_Oksana" on istockphoto

(3) JETP financing must be new and additional, and make use of a country-appropriate mix of different financial tools, and serve the public interest.

To date, the JETP's current finance structure still raises a lot of questions. For instance, is the South African JETP's \$8.5 billion pledge made up of additional funds raised or does it merely consist of pre-existing funding that is repackaged as JETP financing? Will the majority of the \$8.5 billion pledge merely be sovereign debt channelled through different entities with limited concessional or grant funding? If only a small amount of the JETP financing is concessional or grant funding that means that the \$8.5 billion allocated to the South African partnership will not be easily, or entirely, available and it is unlikely to be accessible on terms which create the right incentives and mechanisms for a rapid or just energy transition.

With that in mind, it is imperative that any financing pledged to future JETPs is separate from previous climate-related financial commitments with partner countries. Moreover, JETPs should not take away any resources from the UNFCCC climate fund or repackage or divert critical assistance away from ongoing national development and climate programmes. The composition of a JETP financial package should ultimately reflect country-specific needs, demonstrate a clear and long-term vision of its fiscal sustainability, and, finally, incorporate appropriate and equitable risk-taking arrangements. Every JETP framework should strive to build a country-specific financial package which includes different types of funding, including:

- **Grant finance:** To avoid exacerbating the fiscal pressures on African governments, which continue to be overburdened by the economic shocks of the COVID-19 pandemic, the JETPs' financing should largely consist of grant funding and highly concessional loans, where necessary. Increasing the proportion of grant funding in JETP financial packages is critical as this will help tackle the non-investable parts of energy transitions, including climate justice outcomes, retraining of fossil fuel workers, relocation, and compensation among other things. Further, the grant component should be reflective of the finance demands that arise from the impact of energy transitions on livelihoods, local governments, and small businesses.
- **Policy-based financing:** This type of funding is an important pillar of the JETP financing structure, and it plays a central role in supporting just energy transition processes by creating enabling policy environments. However, policy-based financing can be harmful if direct and indirect climate risks are not adequately assessed and considered in the JETP design process. Consequently, it is crucial that climate risks are quickly and accurately identified in the design process so they can be avoided.
- **Private finance:** The private sector is an important partner in the energy transition process as it can help JETPs establish risk-sharing arrangements, such as guarantees. Moreover, mobilising private finance allows JETPs to raise the investments required to implement just energy transitions. When mobilising private sector finance, the public interest must be front, and centre and attention must be paid to avoid unnecessary harm and risks. It is imperative that environmental and social safeguards and justice principles are strictly applied to private investments
- **Fair debt treatment:** Fair debt treatment is another important consideration in the JETP formation process. Under no circumstances should the financial packages used to fund the operation and implementation of JETPs be used to pay off debt. In fact, partner countries should do their best to advocate for themselves and negotiate for debt cancellation.

(4) The justice element of JETPs must be a critical part of its DNA and it must be allocated ample funding.

JETPs should be viewed as a complementary, not separate, vehicle for development in partner countries' broader development agenda. With that in mind, they should play a role in promoting economic growth and job creation in JETP countries. In fact, one of the distinguishing features of this partnership structure is that it has the potential to effectively leverage funds to pilot innovative programmes that support the just component of just energy transitions. However, to do that, JETP financial packages need to recognise and document the social costs and inequalities associated with the implementation of these energy transitions.

Ideally, just energy transitions should improve the quality of life and the livelihoods of citizens, particularly those directly impacted by the shift. It should also ensure that the benefits, risks, and responsibilities of the energy transition are equally shared by all stakeholders. Therefore, JETPs should finance countries with robust plans that safeguard workers from suffering job losses and their communities from experiencing a decline in economic activity. Additionally, JETPs should fund initiatives to empower vulnerable social groups, build the capacity of fossil fuel workers to pursue new employment opportunities, and protect, compensate, and invest in communities that might be adversely affected.

JETPs should also strive to make the new energy systems, where beneficial, increasingly localised, public, and worker-led. Furthermore, just transitions must ensure the establishment of new energy systems that replace the wasteful, polluting, discriminative, centralised, elitist coal, oil and gas-based energy systems that continue to cause irreversible harm to communities across Africa and the world. In order to maximise the justice aspect of JETPs, partner countries should try to establish energy systems that move away from ownership models driven by private and commercial interests and replace them with community-owned energy systems that prioritise the fair and equitable sharing of benefits arising from new energy systems with poor and marginalised communities.

The justice element of JETPs must be a critical part of the DNA of the structure and sufficient funding should be dedicated to it because it is so notoriously hard to finance. In the case of South Africa's JETP, there have been concerns that the pioneering African structure expects philanthropic organisations to fund and implement the justice elements of the energy transition. While philanthropy can play an important role in supplementing JETP budgets, philanthropic contributions must be additional, not a substitute for IPG "just" financing.

(5) JETPs must be fossil fuel-free zones and facilitate phasing out of fossil fuel dependence in all partner countries.

It goes without saying that JETPs should play an instrumental role in supporting partner countries' transition away from social and economic dependence on fossil fuels. In fact, the purpose of the partnership structure is to accelerate socially just energy transitions in Africa with country-specific energy strategies. To this end, JETP countries should clearly demonstrate how they aim to transition away from fossil fuels in the short-, medium-, and long-term and they must explain how JETP finance will help them achieve and accelerate these objectives.

JETP finance must help to accelerate the phase out of fossil fuels through early fossil fuel retirement, for example. Close attention should be paid during the JETP fund dispersal process to make sure that no funds go towards retiring power plants that are already set to retire because they are obsolete, do not comply with regulatory requirements, or are not cost-competitive.

JETPs should not finance the development of any fossil fuel (including coal, oil, and gas) activities. This means that JETP finance cannot be used to replace retiring fossil fuel infrastructure with new fossil fuel infrastructure—e.g. replacing coal-based energy systems with gas-based ones. In addition, JETPs should not provide subsidies or any other financial or non-financial incentives to support fossil fuel production and consumption. Instead, JETPs should facilitate the redirection of these subsidies and incentives to support clean, affordable, reliable, and accessible renewable energy development.

In an ideal world, JETPs should be aligned with national and international efforts to end public finance for the extraction and sale of fossil fuels, as outlined in the Glasgow Statement on the "International Public Support for the Clean Energy Transition[13]." Fossil fuel development discussions, such as the ones that Germany is having with Senegal to encourage the expansion of liquified natural gas infrastructure for export to Europe are counterproductive and should be shut down immediately.

13 https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy-transition/

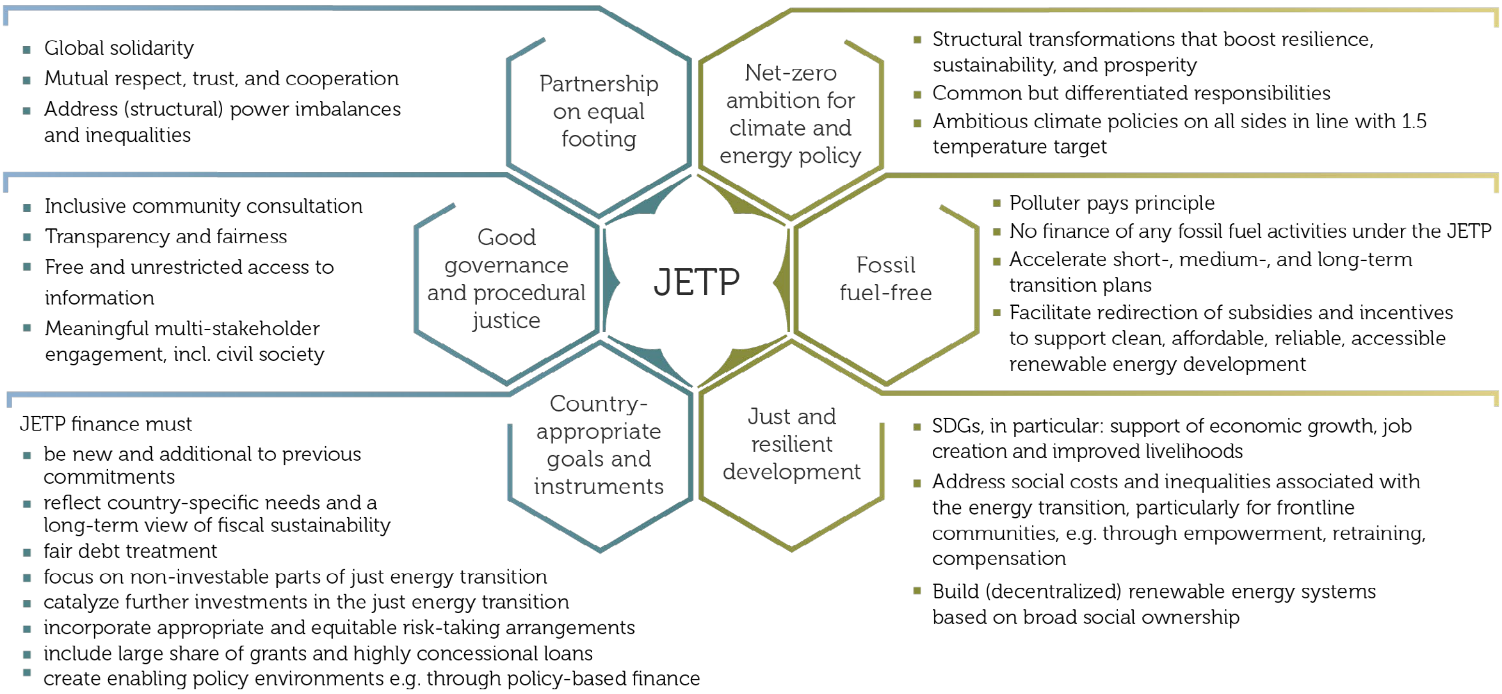
(6) JETPs must finance the non-investable parts of just energy transitions and act as catalyst for further investment in the renewable energy sector.

It is crucial that JETPs with African countries support the structural transformation of African economies to boost resilience, sustainability, and prosperity. However, unfortunately, JETPs can only provide finance for a small fraction of the continent's just energy transitions. South Africa's JETP only covers 3% of the estimated funds needed to transform the country's current energy system to a more equitable low-carbon one. Therefore, aligning the right type of capital with the right investments and costs is key[14]. JETPs offer the opportunity to finance the "hard," or the economically less attractive, aspects of just energy transitions.

When developing JETPs, thorough country-specific analysis needs to be commissioned to identify the non-investable aspects of a partner country's energy transition. This could include anything from decommissioning fossil fuel infrastructure to tackling issues of energy security, affordability, and access for household needs (e.g. clean cooking), productive uses, and community services. If a JETP includes a focus on financing universal, decentralised energy access, it should promote the full range of renewable electricity applications, including grid-connected, mini-grids, small-scale stand-alone systems, as well as other renewable energy technology.

JETPs must also act as a catalyst for encouraging further investments in partner countries' just energy transitions. In the case of South Africa, development enabling infrastructure projects (such as extension of the country's transmission grid) could unlock the potential of the renewables energy sector by eliminating the "connection risk" for developers. Creating more momentum and dynamism in the sector will inevitably attract more renewable investments and projects13. These momentum-building opportunities must be identified on a country-by-country basis and be allocated specific funding in JETP financial packages.

14 https://www.blendedfinance.earth/making-climate-capital-work



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