Just Transition for All: Ghana, Colombia and Indonesia

26 May 2021
Andrzej Błachowicz, Managing Director
#JustTransitionforAll
Agenda

Synthesis report
Andrzej Błachowicz, Managing Director at Climate Strategies

Indonesian report
Sri Lestari “Tari”, Associate Researcher at the Dala Institute for Environment and Society, Indonesia

Ghanaian report
Kwabena A. Anaman, Professor of Economics at the University of Ghana

Colombian report
Eduardo Uribe-Botero, Director of the Energy Group of Bogota, Previously at Fedesarrollo

Q&A

Panel discussion with Q&A
Claudia Strambo, Research Fellow, Stockholm Environment Institute
Juan Casas, Directorate of Climate Change and Risk Management, Ministry of Environment and Sustainable Development, Colombia
Joyashree Roy, Bangabandhu Chair at the Asian Institute of Technology
My Story...
COP24 Katowice

Solidarity and Just Transition Silesia Declaration

“...addressing climate change requires a paradigm shift towards building a low greenhouse gas emission and climate resilient economies and societies for all that offers substantial opportunities and ensures continued high growth and sustainable development, while ensuring a Just Transition of the workforce that creates decent work and quality jobs...”
Incorporating Just Transition Strategies in Developing Country NDCs and Post-Covid Responses
Informal Economy

EU Economy
- Formal: 17%
- Informal: 83%

Ghanaian Economy
- Formal: 14%
- Informal: 86%

Colombian Economy
- Formal: 38%
- Informal: 62%

Indonesian Economy
- Formal: 57%
- Informal: 43%
Governance Systems

- Silos within government
- Custodians of natural resources are largely marginalized in the development of climate policy
- Government revenue exposed to fluctuations in commodity prices such as coal, oil and gas
- Covid-19 responses channel resources directly into crisis
Stakeholder Engagement

• From trade-offs to co-benefits
• Ongoing and iterative
• Capacity building to support participation
Ownership of Just Transition

• Needs to move beyond just a developed country concept
• Adapted to individual country contexts
• Development of own definition
• Through engagement with stakeholders
• Creation of communities of practice
• Engage MDBs and investors
• Diversity of developing countries can strengthen Just Transition concept
In-country partners

This project received support from the European Climate Foundation.
Engagement with Government of Indonesia on Just Transition (JT) to Achieve NDC Commitment

26 May 2021
## Agenda

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About Dala Institute

Registered in Indonesia (PT Dala Riset Global) & in the UK (Dala Research Ltd)
About the study

Study: Incorporating Just Transition Strategies in Indonesia’s NDCs and post-Covid 19 responses

The importance of Just Transition in Indonesia

- Geographical characteristics: coastal area, vulnerable to climate change
- Inequality & disparity: corporation vs indigenous/vulnerable community
- High labor force & demography: availability of jobs & unemployment rate
- Informal economy & social protection

If managed properly, the transition could provide opportunities for the Indonesian economy. Vs Transitions can also harm the economy if the government is not ready to respond to change.

Managing the impact of the transition to ensure that the transition process takes place in a fair manner.
Methodology and timeline

METHODOLOGY

- Desk research
- Key informant interviews
- Meetings and webinars (capacity building, knowledge sharing, informal discussions)

TIMELINE

October 2020
- Introduction meeting
  Early meeting with Director of Climate Change Mitigation and Director of Climate Change Adaptation from MoEF to share about Just Transition definition, concept, and best practice

November 2021
- Pre-event interviews
  Interviewed crucial stakeholders from Ministry of Environment and Forestry (MoEF) and Ministry of Manpower (MoM)
- Capacity building webinar
  Cross ministerial webinar attended by directorate from MoEF and MoM. MoM presented about their understanding of climate change and it affects labor condition.

December 2021
- Capacity building webinar
  Ministry of Cooperatives & SMEs and Ministry of Tourism & Creative Economy presented their understanding of climate change and its effects on their sectors. MoEF and MoM also attended the webinar.

February 2021
- Capacity building webinar
  Confederation of All Indonesian Trade Union (CAITU) presented their view, position, and actions. Institute for Essential Services Reform (IESR) shared best practices of JT in energy sector.

March 2021
- Capacity building webinar
  Ministry of Cooperatives & SMEs and Ministry of Tourism & Creative Economy presented their understanding of climate change and its effects on their sectors. MoEF and MoM also attended the webinar.
Stakeholders engaged

Ministry of Environment and Forestry
Republic of Indonesia

KEMENTERIAN KETENAGAKERJAAN REPUBLIK INDONESIA

Konfederasi Serikat Buruh Seluruh Indonesia
Confederation of All Indonesian Trade Unions

THE MINISTRY FOR COOPERATIVES AND SMEs
THE REPUBLIC OF INDONESIA

MINISTRY OF TOURISM AND CREATIVE ECONOMY
REPUBLIC OF INDONESIA

IESR
Institute for Essential Services Reform
Findings

JT commitments

• **Silesia Declaration**. One of the signatories, but lacking in implementation
• **Bogor Declaration**. Tripartite commitment on JT in Indonesia
• **Updated NDC**. Possibility of JT to be explicitly stated (to be confirmed)
• **2050 Long Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR)**. JT has been discussed and incorporated.

Interaction between government agencies

• The government functions in **silo**
• **Lack of effective communication & coordination** on JT and other climate change issues.
Findings

Stakeholders engagement

• Just Transition is a **new topic in Indonesia** with stakeholders’ limited conceptual understanding.

• **Key actors’ lack of confidence** to take the lead

• **Knowledge imbalance** within government institutions.

• **Elite level discussions.** JT has not been translated into policies and programs.

Informal economy

• Up to **60.5% of the employment profile** in Indonesia

• **4.59% increase** in informal workers due to Covid-19

• A cross-cutting and inter-ministerial issue
Summary

• Just Transition has started to be discussed by relevant actors BUT has not been translated yet into government policies and programs.

• The need to determine Indonesian-style Just Transition.

• The Indonesia’s Covid-19 responses are not linked to strategies to manage climate change impacts and its NDC commitment.

• Diversion of some ministerial budgets to improve labor skills, but not part of climate actions and Just Transition.

• Focus of labor market management: job creation and skills that are not linked to strategies to transition to lower-carbon economies.
Way forward ...

• Creation of a **working group** on Just Transition for climate actions

• Opportunity to **work with the Ministry of Manpower** in conducting a study or preparing planning documents, e.g. Critical Occupational List specific to climate change, assessment on the impact of climate change on the labor sector.

• Mainstreaming Just Transition in **key sector and labor** -market focus for transition

• Introducing Just Transition through the **existing government programs** e.g. pre-employment training (*Kartu Pra-kerja*)

Thank you
A JUST TRANSITION DIALOGUE WITH DEVELOPING COUNTRIES: A GHANAIAN CASE STUDY PRESENTATION
26 MAY 2021

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OUTLINE OF PRESENTATION

• INTRODUCTION

• COUNTRY SITUATION

• METHODOLOGY

• DISCUSSION OF FINDINGS

• CONCLUSION AND RECOMMENDATIONS
INTRODUCTION

• Climate change is now widely accepted as a global crisis which requires collective efforts to address.

• There is however unequal distribution of the impacts and effects of climate change with poor and developing countries, especially those in Africa, being most at risk.

• This is mainly as a result of their location in the tropics, poor adaptive capacities and the dependence of their economies on climate-sensitive sectors.

• These notwithstanding, developing countries, like Ghana, as well as developed countries have undertaken commitments as part of their responsibilities to the United Nations Framework Convention on Climate Change (UNFCCC) to address climate change.
INTRODUCTION

• In the year 2020, which marked five years after the adoption of the SDGs and the period during which most commitments were earmarked to be implemented, the world was struck with the novel COVID-19

• The outbreak and response to COVID-19 had both economic, social and environmental impacts with severe effects on the planning and implementation of many societal programmes.

• One major activity that whose programmes was severely affected was the Nationally Determined Contributions (NDC) in relation to the implementation of Just Transition Strategies to deal with climate change.

• This study was conducted to assess the implementation of just transition climate strategies, as part of the Nationally Determined Contributions, in tandem with the concurrent assessment of COVID-19 challenges.
COUNTRY SITUATION

• This study was conducted in Ghana, a coastal West African nation located between 4°45’N and 11°00’N and longitudes 1°15’E

• According to the last population census (2010), the agricultural sector provides employment to about 42% of the working population with majority of these being small scale rural farmers.

• Already, there are many studies to prove the impact and vulnerability of the Ghanaian economy to climate change.

• The outbreak and response to COVID-19 affected all sectors of the Ghanaian economy, with the informal sector being the worst hit.
METHODOLOGY

• Following the work of Henriques and Sadorsky (1999), several types of stakeholders were identified and contacted for the study:

✓ These are the regulatory stakeholders made up of State institutions and government departments involved in climate change;

✓ The organizational stakeholders, made up of formal and informal institutions and groups, which protect workers rights and interests;

✓ The informal sector workers selected from two administrative districts in Accra, the capital city of Ghana.

✓ Owing to the importance of traditional chiefs as the custodians of environmental and natural resources, two Paramount Chiefs and two Paramount Queen Mothers, representing two traditional states were contacted and interviewed during the study. Given that Ghanaians were almost equally divided based on matrilineal and patrilineal inheritance systems, one traditional state was assigned for matrilineal system and the other for the patrilineal system.

• Data was collected from a sample of members from each of these groups to find out their roles in the formulation and implementation of just transition strategies in Ghana.
DATA COLLECTION METHODS AND ANALYSIS

- The study adopted both qualitative and quantitative techniques to collect data from the different stakeholders.

✓ One aspect of the study adopted the survey method to collect information from a sample of workers (40) in two peri-urban districts in Accra. Our choice of the peri-urban area is as a result of the presence of a mix of formal and informal workers, which is a reflection of the situation at the national level. An equal number of informal sector workers was assigned to both female and male sexes.

✓ The second and third aspects of the study, involving leaders of organizations and institutions in the formal sector (12), and traditional leaders (4), adopted the use of confidential personal interviews at the place of work or homes of the persons.

- The data was collected over a period of two months from 10 December 2020 to 8 February 2021.

- Data received from the field was analysed using Microsoft Excel for the quantitative data whilst the qualitative data was analysed using NVivo Software.

- A validation workshop attended by 20 stakeholder representatives was held in Accra on 10 February 2021 to discuss the findings of the study.
DISCUSSION OF FINDINGS

a. Climate Change Awareness

• Results indicated that the level of knowledge about climate change and its impacts was high with 80% of the informal sector workers indicating they were aware about the phenomenon. All respondents from the formal sector institutions and organizations, as well as the traditional leaders, also shared the same view.

• The results further showed that climate change had differentiated impacts on the various economic sectors. For instance, whereas 80 percent of respondents involved in the informal sector worker survey stated climate change affected their work, a high proportion of the respondents stated that climate change resulted in decreased agricultural production (73%) and made work conditions difficult for traders operating in the open market (56%); about 20 percent of the respondents stated that climate change did not affect their work at all.

✓ Findings from the qualitative study indicated that people whose activities depended on the environment, such as those involved in agriculture, the extractive industry were directly affected by climate change. On the other hand, other economic sectors such as the services industry were not directly affected; yet these sectors were also hit by the intermittent power cuts caused by the reduced volumes in the hydroelectric dams that supplied about half of the electricity energy needs of the country, which led to increased operational costs.
FINDINGS

b. Respondents’ Knowledge of Climate Change Policies

• The study found that although there are policies to address climate change, a vast majority of respondents in the informal sector (93%) stated that there were no policies to protect their businesses from climate change and very few of them (4%) indicated that they played roles in the policy development process. Additionally, discussions with the chiefs also indicated a low level of participation in climate policy.

• When the informal sector workers were asked to rank the degree of importance of government engagement with the economic sectors on climate change policies and strategies, 80 percent described this activity as being very important.

• For the qualitative study, it was noted that institutions and organizations which were directly involved in climate change activities had knowledge of the existence of national and sector specific policies and played roles in the development, formulation and implementation of these policies.
Knowledge of Just Transition Strategies (FINDINGS)

• Among the labour groups, only the Ghana Trades Union Congress and its affiliate organizations mainly the Ghana Private Road Transport Union have made some efforts in developing just transition strategies.

• Findings also showed that among the economic sectors, implementation of just transition strategies were observed mainly within the agriculture sector.

• Although there had been some form of engagement by the government, through the Environmental Protection Agency, with sections of the informal sector on just transition strategies, there was still much work to be done to raise awareness and participation of workers in the informal sector.
Knowledge and information concerning just transition strategies (FINDINGS)

- A binary logit regression analysis was undertaken to ascertain the significant socio-economic characteristics that influenced access to information on Just Transition Climate Change Strategies.

- Results indicated that, out of the four independent variables, only the formal educational attainment level was statistically significant.

- Increasing formal educational attainment was responsible for increased likelihood of a respondent having access to information on just transition climate change strategies.

- Table 5: Results of the binary logit regression analysis of the factors influencing access to information about Just Climate Transition Strategies.

**Dependent Variable is HEARDOFJUSTTRANSITION (1 for heard of just transition strategies and zero otherwise).**

<table>
<thead>
<tr>
<th>Explanatory Variable</th>
<th>Regression Parameter Estimate</th>
<th>T Value</th>
<th>Probability Level of Significance</th>
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<tbody>
<tr>
<td>INTERCEPT</td>
<td>0.188</td>
<td>0.261</td>
<td>0.609</td>
</tr>
<tr>
<td>AGEGROUP</td>
<td>0.188</td>
<td>0.261</td>
<td>0.609</td>
</tr>
<tr>
<td>EDUCATION</td>
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<td>3.168</td>
<td>0.075*</td>
</tr>
<tr>
<td>SEX</td>
<td>-20.768</td>
<td>0.000</td>
<td>0.997</td>
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<tr>
<td>WORKEXPERIENCE</td>
<td>-0.021</td>
<td>0.044</td>
<td>0.833</td>
</tr>
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- **Notes**
  - Number of observations for regression analysis: 80
  - Percentage of observations classified as correct: 81.0
  - *** denotes statistical significance of the parameter at the 1% level
  - ** denotes statistical significance of the parameter at the 5% level
  - * denotes statistical significance of the parameter at the 10% level
Impact of Covid-19 and Adaptive Response Strategies of Firms and Workers (FINDINGS)

• The results from the study revealed that the vast majority of the respondents were heavily impacted by the imposed restrictions on free movement and the subsequent cancellation of social events due to the spread of the coronavirus Covid-19 epidemic.

✓ About 88% of the sampled informal workers indicated that they recorded a drastic drop in their sales and customers during the lockdown and the post-lockdown period.

✓ Discussions with the traditional leaders also indicated that the measures implemented to address COVID-19 brought much hardship to the inhabitants of their areas.

• Respondents involved in the study indicated that, they all adopted some strategies to protect their livelihoods. The informal sector was badly hit as most of them did not have alternative sources of livelihoods as well as capital to venture elsewhere while in other cases, employees were also laid off. The situation was different in the formal sector as most of these bodies are governmental agencies.
Respondents’ Views on the Just Transition Strategies Implemented In Response to the Covid-19 Pandemic (FINDINGS)

• About 87% of the respondents in the survey believed the government stimulus package could serve the purposes underlining just transition climate strategies given the severe economic downturn induced by the Covid-19 pandemic.

• The majority of the respondents (92.4%) highlighted education as one of the key approaches that need to be implemented to create awareness of just transition strategies including Covid-19 activities.

• All the officials responding on behalf of the formal institutions indicated that although their institutions could not meet their planned targets for 2020, no employee lost their job as a result of the COVID-19 pandemic.
Views Expressed by Participants at the 10 February 2021 Stakeholder Workshop (FINDINGS)

• The workshop was organized on 10 February 2021 to share the findings of the study with the stakeholders for their contributions and suggestions to improve the final report sent to Climate Strategies.

• All the 20 representatives agreed with the major findings of the report as representing the true reflection of their sentiments and knowledge on climate change and COVID-19 related issues.

• There was a general consensus on the need to educate the public on climate change and the impact it has on the informal sector.

• The participants further suggested that that climate change programmes especially those by government should be localized and spread to many parts of the country in order to ensure the participation of the informal sector workers in those programmes.
Conclusions and Recommendations

• The results of the study indicated there was a high level of knowledge of climate change and its impacts on the Ghanaian economy and society.

• Although there are policies – both national and sector specific, many participants from the informal sector had little knowledge of them and played no roles in the development of these policies.

• With regards to knowledge of just transition climate change strategies, just a few of the informal sector workers were familiar with the these strategies.

• On the impact of COVID-19 restrictions and the lockdown, most of the respondents recorded a drastic decrease in sales, reduction in customers. Many informal sector workers used their savings to protect the health of themselves and families (survival).
Conclusions and Recommendations

• Although the government of Ghana launched a programme dealing with to mitigate the effects of the Covid-19 pandemic, through several business stimulus packages, the majority of the respondents indicated that they could not access the packages due to lack of awareness about them; the packages largely benefitted people with connections to the ruling party in what was an election year.

• We recommend that the government should educate the informal sector workers and Traditional Councils on just transition strategies and the roles they could play to ensure their full involvement in climate change programmes.

• The alleviation of the impacts of the COVID-19 pandemic could be substantially improved through the disbursement of funds using cooperative unions of workers rather than the current central system criticized for its political biasedness that marginalizes many people and groups not closely tied to the ruling party.

• Finally, the Environmental Protection Agency should engage and involve trade associations and workers in the informal sector in climate change issues and adaptation programmes through appropriate workshops and fora.
Incorporating Just Transition strategies: Colombia

Eduardo Uribe

May 26 2021
Colombia

Population: of 48 million people.

Between 1973 and 2018: the % of people with Unfulfilled Basic Needs dropped from 70.5% to 14.1

Between 2005 and 2019: the GDP per capita went from Col $ 12 to 17.5; and education and health coverage reached nearly 100%.

GDP composition:  
- Agriculture 7.2%  
- Industry 30.8%  
- Services 62.1%.

Informal employment: 47%

Poverty: 28% of the population.

There is evidence that Covid-19 harmed employment specially among women
Colombia’s GHG emissions

Total: 102.2 MM tons of CO2eq /year (2019)
Per capital: 2.03 Tons of CO2eq per /year (2017)
0.4 % of global emissions

AFOLU: 50 % of the national emissions. (deforestation 158.894 has/year 2019)

Energy (including transportation): 36% of the national emissions.

Coal plants correspond to 30% of the installed electricality capacity
Colombia´s NDC and Climate policies

Colombia´s updated NDC:

• By year 2030: reduction of emissions by 51 % with respect the BAU scenario
• By year 2050: Carbon neutrality
• Priority sectors: transport, energy, agriculture, housing, health, and trade, tourism & industry
• NDC also alludes to: food security and poverty eradication, Just Transition of the labor force, human rights, intergenerational equality, and regional inclusion, ethnic and vulnerable communities, gender equality, water, ecosystem and biodiversity protection, circular economy, the context of COVID-19.

• The government has adopted several polices and strategies to reach those targets:

  • National Climate Change Policy
  • Low Carbon Development Strategy
  • National Plan for the adaptation to Climate Change
  • Forest´s Management and Deforestation Control Strategy.
  • Several Sectorial Mitigation Action Plans
  • Twenty-two regional climate change plans
  • 70 climate sensitive watershed plans.

• The government has issued numerous of laws and regulations: Law 1931 of 2018 (Climate Change Law”), Law 1819 of 2016 (Carbon Tax), Decree 926 of 2017 (ETS); Resolution 1447 of 2018 (MRV), etc.
Labour Issues

The social groups exposed to higher labor related risks associated to climate policies

Most workers of the thermal coal industries are hold formal jobs on large national or multinational companies and are unionized.

The large majority of the indigenous and campesino communities in forested areas are dependent on the use of the forest’s resources.
Policy responses

• While climate objectives, policies and regulations have been profuse and ambitious, mainly in the energy and AFOLU sectors, their potential impact on jobs and labor markets have received little attention.

• The government of Colombia has not put in place strategies to mitigate the impact of climate policies on labor markets and has not put in place provisions to monitor the progress of a Just Transition Strategy.

• The government has adopted policies to favor the creation of formal jobs. Although they did not have the objective to mitigate the impact of climate policies, they may contribute to that purpose.
Barriers to progress

• Limited awareness of the impacts of climate policies on job markets by the government, communities and social organizations.
• Limited information on the current and potential impacts of climate policies on social welfare and job markets.
• The costs of re-training the workers of the coal industry and of the coal chain could limit the scope of the Governments’ Just Transition strategy.
• The costs associated to the development of sustainable economic alternatives for communities in forested areas.
• The lack of active involvement of the private sector on the design process of a Just Transition Strategy.
• The insufficiency of economic incentives to invest in alternative economic projects in those regions affected by the implementation of the climate polices.
• Potential opposition to the use of public resources to finance a Just Transition strategy.
General findings

• While climate objectives and policies have been profuse and ambitious, their potential impact on jobs and labor markets have received little attention.

• The participation and awareness of stakeholders potentially affected by the climate has been very limited or absent.

• The actualized DNC, evidences that the government of Colombia is aware that of the fact that climate policies could have negative impacts on some labor markets. However, the impacts are already being felt by a large numbers of workers of the large coal mines, and by the communities and local governments.

• The government has not put in place strategies focused on the mitigation of the impacts of declining coal and oil production, and of de-carbonization of the economy on job markets and on local economies.

• Because of the pandemic, the direct participation and the participation of rural and poor communities (with no access or with limited access to the internet) in policy design has been limited.

• The pandemic and its impact on jobs, have diverted the attention of the government towards the more pressing issues in the short term (health services, vaccination, social unrest etc.).
Sectorial findings

AFOLU

• Most of the labor force of the AFOLU sector is informal and poor; and some is in colonization areas related to illicit crops, illegal wood harvesting, deforestation, and illegal mining.
• The creation of new protected areas could limit the economic and territorial rights of ethnic communities as they could impose additional restrictions to the sustainable use of the natural resources of their traditional territories.

Coal, and Oil & Gas

• The direct jobs of the oil and gas sector and of the large coal mines are formal. Informality is frequent on small and medium coal mines.
• Due to low demand and prices, some of the large thermal coal operations have initiated massive layoffs of workers. There has not been a response by the government. The impact on small informal mines is unknown.
• The labor markets of the Oil & Gas industry have not yet felt the impact of climate policies.
General recommendations

A Just Transition Strategy in Colombia should take into account:

• Most of the workers involved in the AFOLU sector are informal and poor, and in some cases, related to illegal activities (deforestation, illegal mining, illicit drugs, and illicit timber extraction).

• The conservation strategies could disproportionally affect the economic rights of poor communities—often ethnic groups and campesino.

• The thermal-coal mining regions where massive layoffs are taking place are poor and highly dependent on the taxes and royalties generated by the industry.

• Alternative sources of income in colonization regions, the diversification of the economies of coal producing regions, and the training of laid off workers in the coal producing regions should be of high priority.

• The government should promote investigations to quantify the social and fiscal impact of a transition to a low carbon economy. The information should be made public and open dialogs must be facilitated.
THANK YOU