



TECHNICAL APPENDIX 1

Just Transition Planning Framework

August 2023

JUST TRANSITION PLANNING FRAMEWORK

1. Introduction and overview
2. Stakeholder engagement
3. Governance
4. Livelihoods
5. Communities and environment
6. Conclusions and next steps
7. Key sources

JUST TRANSITION PLANNING FRAMEWORK

Introduction and overview

Introduction (1/2)



The just energy transition is a process for managing the transition to a decarbonised economy in a way that prioritises local socioeconomic opportunities and decent livelihoods, and minimises risks to affected groups, including through inclusive and transparent social dialogue, robust governance, and support for impacted workers and communities.



The framework proposed in this Technical Appendix aims to support this process, providing guidance which can be applied across contexts and geographies.

Introduction (2/2)



This framework is intended for use primarily by **state-level policymakers** but can be used to support decision-makers at other levels of government, and **key energy sector stakeholders** including asset owners. The framework is not comprehensive and is intended to be used as a guide only.

The **objectives** of this framework are to:



- Help broaden the understanding and considerations of the types of possible socioeconomic risks and opportunities which may arise from an energy transition.
- Support the development of policy and planning solutions aimed at minimising risks and enhancing opportunities for impacted workers and communities.



The **Just Transition Planning Framework** is guided by **three principles** and underpinned by **three pillars**. These are discussed in more detail in the following sections.

Principles for a just and inclusive transition

Recognition of inequalities

Transparent and inclusive processes

Equitable distribution of costs and benefits



Just Transition Planning Framework

...underpinned by **three pillars** and informed through ongoing local stakeholder engagement

Governance

Livelihoods

Communities
and
environment

Just Transition Planning Framework overview (1/2)



This framework sets out key activities under three pillars: governance, livelihoods, and communities and environment, all of which are underpinned by inclusive stakeholder engagement.

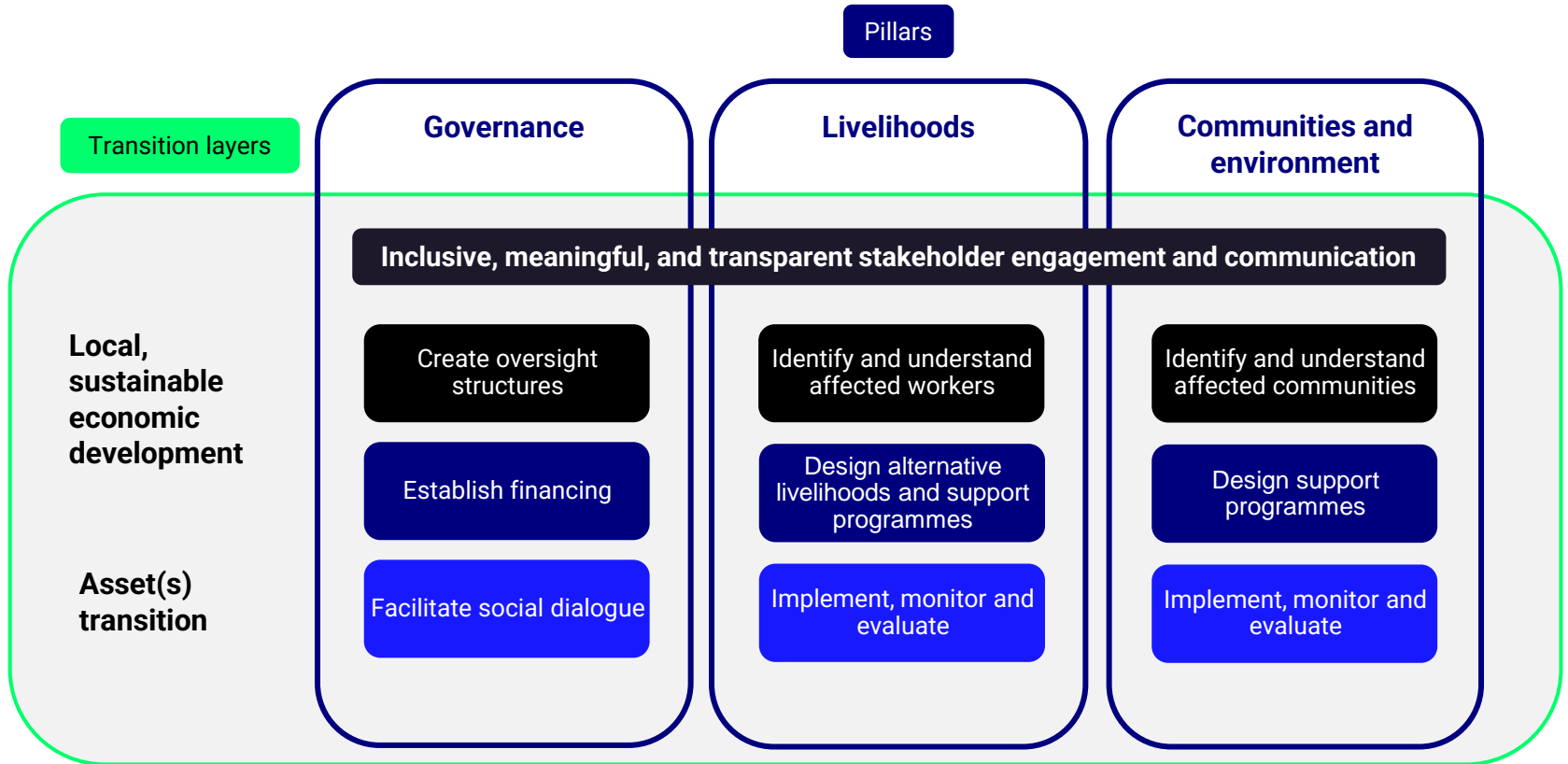


Transition planning should encompass not only a transition away from inefficient, high carbon emitting assets and industry but, from the outset, also seek to enhance community resilience through green economic development and diversification. The asset transition is therefore discussed as a sub-section within the broader regional economic transition to a sustainable economy.



The following slides break down the key elements of this framework, providing guidance to support transition planning.

Just Transition Planning Framework overview (2/2)



JUST TRANSITION PLANNING FRAMEWORK

Stakeholder engagement

Five key steps to effective and inclusive stakeholder engagement for the just transition

This five-step process provides a systematic approach to comprehensively identifying, understanding and engaging stakeholders for the just transition. Transparent and inclusive stakeholder engagement supports effective processes for understanding local context, needs and priorities, planning for support measures and to generally build social and political support for the transition.

1. Identify stakeholders who are likely to be impacted by the transition and who will have a role to play in its planning and implementation.

A collaborative exercise resulting in a long list or group of lists.

2. Map stakeholders according to their roles, relationships and likely interests.

Analytical tool to provide a visual representation of stakeholders and how they relate to one another.

3. Prioritise stakeholders according to the extent to which they are impacted by the transition and their influence.

This can use influence-impact analysis to give an overview of how to engage with each stakeholder or group.

4. Develop a stakeholder engagement plan to facilitate meaningful dialogue through inclusive and transparent processes.

Develop a plan including key messages, communication channels, monitoring and evaluation, and impact assessment.

5. Implementation of stakeholder engagement plan.

Implementation through highly iterative processes and incorporating feedback.

Stakeholder engagement strategy (1/4)








Step 1: Identify stakeholders that are likely to be impacted

Relevant stakeholders should be identified and mapped to inform who should be represented in governance structures, to analyse the likely impacts and opportunities of the transition, and to enable collaboration on just transition planning and implementation.



Stakeholder engagement strategy (2/4)

Step 2: Map stakeholders according to their roles, relationships and likely interests

Workers and trade unions		Likely to advocate for support for workers to transition to fair and decent alternative employment.
Communities and energy consumers		Includes induced workers, families of workers and those living in the region. Energy consumers are likely to advocate for affordable, clean energy access.
Energy sector businesses		Fossil fuel companies should be engaged to support workers and communities but may be resistant to the transition, while renewable energy developers must be involved in energy transition planning and renewable energy developments.
Local government		Can implement local interventions, represent regional interests and act as a convener of key stakeholders.
National government		Can provide political leadership and implement broad support measures, such as incentivising renewable energy development, ensuring worker support and social security nets, and enforcing labour rights.
Education providers		Can provide training and skills courses to support workers to transition to new industries. Training programmes should be aligned with alternative livelihood planning and renewable energy developments.
NGOs		Can be advocates for local interests, mediate social dialogue and provide understanding of local challenges and opportunities.

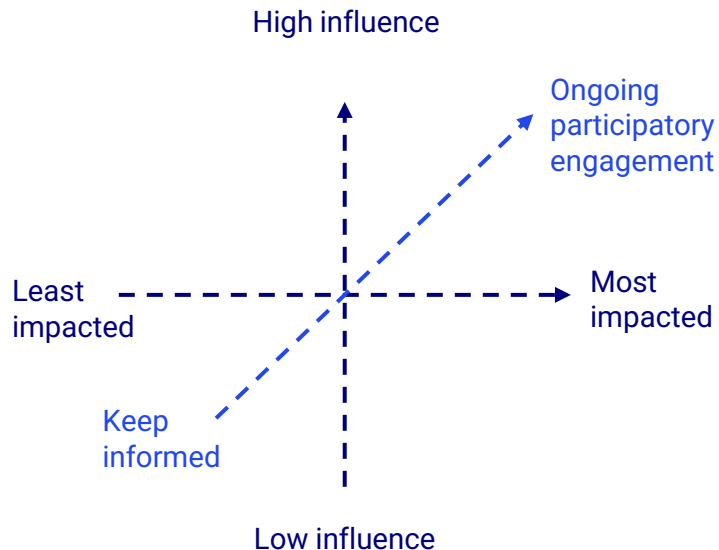
Stakeholder engagement strategy (3/4)

Step 3: Prioritise stakeholders according to their influence and the extent to which they are impacted by the transition

Once stakeholders have been mapped, they should be analysed according to how they will be impacted by the energy transition, their influence and likely interests. This will inform stakeholder engagement strategies and processes.

Social dialogue mechanisms and forums should enable discussion around the just transition, identifying common ground, priorities and conflicts.

This should result in **mutually agreed transition objectives** which can be used to guide and evaluate the just transition interventions and outcomes.



Note that particularly vulnerable workers and communities may be highly impacted but have limited influence, and so should be supported to engage.

Stakeholder engagement strategy (4/4)

Step 4: Develop a stakeholder engagement plan to facilitate dialogue through inclusive and transparent processes

This plan should outline processes which will help to identify and address:

- Common ground
- Priorities
- Conflicts
- Bottlenecks
- Trade-offs

Inclusive, transparent and meaningful discussion and negotiation should result in **mutually agreed transition objectives**. These can be used to guide the transition, and to evaluate the extent to which measures are successful, according to local stakeholder priorities.

Step 5: Implement, monitor and evaluate the stakeholder engagement plan with established feedback loops and transparency to ensure meaningful engagement

JUST TRANSITION PLANNING FRAMEWORK

Governance

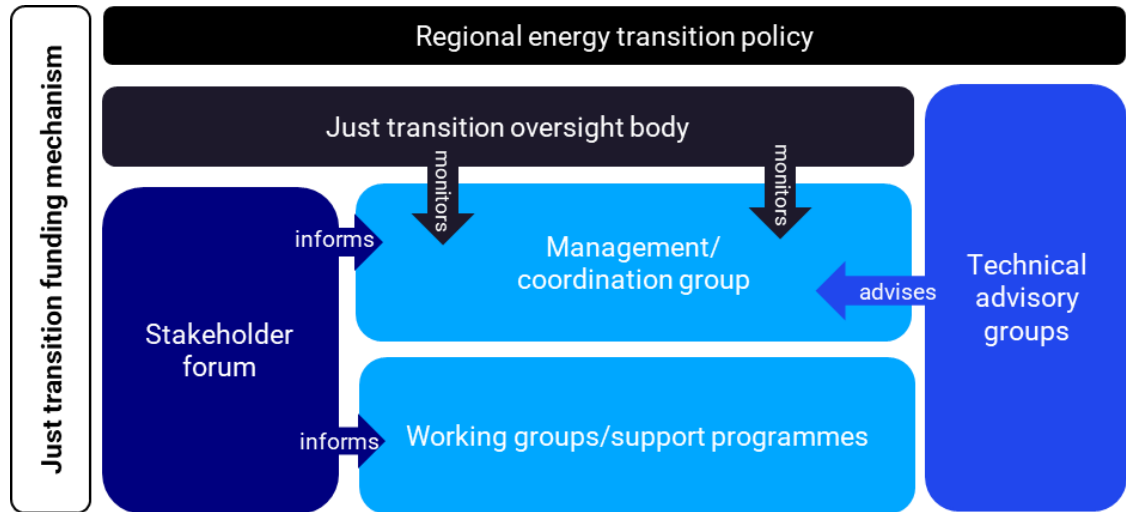
Establish robust and effective governance structures to drive and provide accountability for the just transition

Establishing formal, institutional governance structures to drive the just transition can provide accountability, coordination and ambition. The diagram below is one illustration of what a governance structure could look like. There are many possible iterations, and it will be dependent on existing structures, the legislative and regulatory powers of different bodies and regional structures.

The illustrative governance structure involves:

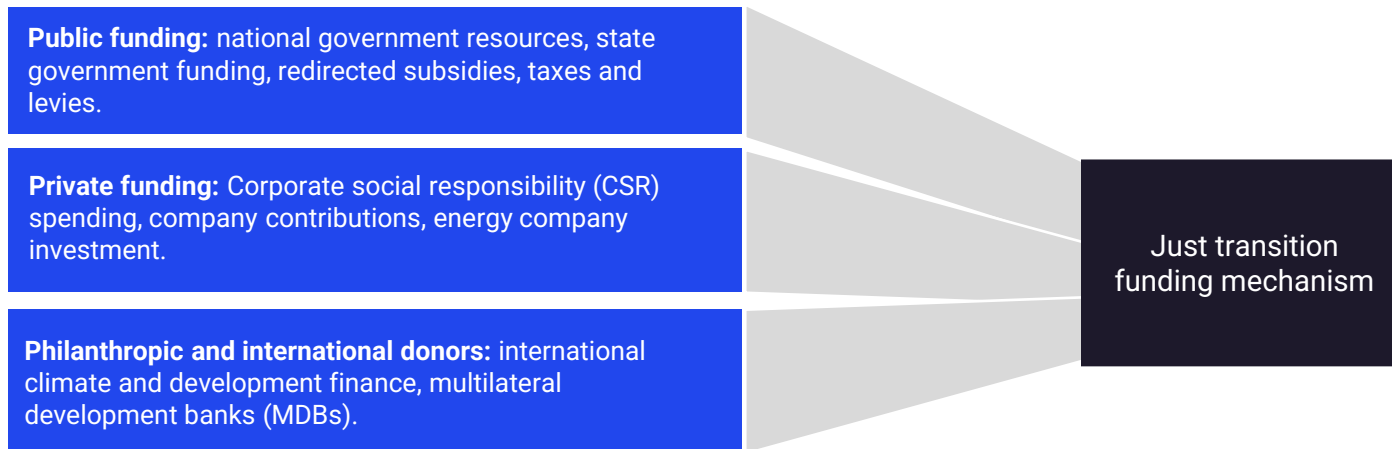
- An oversight body that can provide direction and steer the management and coordination groups and be ultimately accountable for the processes of the just transition.
- Technical advisory groups that can provide expert advice on e.g., technologies, industries, or other social, economic, or environmental issues relevant to the transition.
- A management/coordination group together with working groups that can be responsible for the overall planning, implementation and provision of support.
- A stakeholder forum to facilitate discussion and co-ordinate stakeholder input. This is critical to embed social dialogue in the transition process and will inform the working group and just transition management and co-ordination.

Illustrative sub-national governance structure



Seek finance from multiple sources and channel it through a dedicated funding mechanism, linked to the governance structure

Funding for the just transition is essential to provide the resources for worker and community support. Programmes will be resource-intensive and must have dedicated financing to ensure that opportunities are realised, objectives are met, and inequalities are addressed. A just transition funding mechanism can channel funds from a range of sources, and recipients can engage with and adapt mechanism designs based on their requirements.



Facilitate social dialogue to engage stakeholders and communicate opportunities of the transition

Built into and informed by the stakeholder engagement plan, social dialogue mechanisms should be established to maintain consistent engagement at key points and throughout the just transition process. Leveraging existing and new institutional structures for the just transition can enable this, with a funding mechanism established to ensure that there are resources to act on the objectives reached through engagement processes.



Social dialogue is a mechanism for participation and consensus building, but there is no single model.



Social dialogue can include all types of negotiation, consultation and exchange of information between and among representatives of governments, employers and workers on issues of mutual interest. This can include transparent communication with impacted groups to enable buy-in and build support.



Social dialogue can lead to binding outcomes and agreements, for example mutually agreed objectives for the just transition.

Establishment of governance should ensure two key enabling conditions for social dialogue:



Institutional structures to enable social dialogue.
These could be new or existing structures.



Funding mechanisms to provide resources to the
process and act on the outcomes.

JUST TRANSITION PLANNING FRAMEWORK

Livelihoods

Identify impacted workers and assess the impacts of asset closures on jobs and livelihoods

Asset closures will affect the livelihoods of direct, indirect and induced workers across the value chain and local community. Gathering data on the jobs impacted must inform support measures and enable skills development planning. The approach below provides a framework to guide this assessment, highlighting key factors which must be understood to inform just transition planning.

Assess jobs at risk	Types of jobs at risk	Worker security	Alternative livelihood opportunities
<p>Direct employees: those employed by the asset undergoing closure.</p>	<ul style="list-style-type: none"> Determine the number of jobs at risk. Evaluate the types of jobs at risk, including roles, responsibilities, skill levels, contract types (i.e., on roll or off roll) and working conditions. Establish worker demographics and characteristics (i.e., age, gender, income level, skills, education). Identify disproportionately vulnerable workers (e.g., women or low-income groups). 	<ul style="list-style-type: none"> Evaluate agency of workers to influence the transition, including labour rights and union representation. Establish affected worker's access to social security nets (i.e., unemployment benefits, pensions, and re-employment support). 	<ul style="list-style-type: none"> Understand those able to take early retirement. Understand ability of workers to transfer within their existing industry. Assess skills transferability of workers to new industries, accessibility of existing alternative livelihood options and access to skills and training opportunities to support re-employment.
<p>Indirect employees: those employed by industries reliant on the asset undergoing closure.</p>			
<p>Induced employees: those working in industries enabled by the spending of direct workers.</p>			

Use this analysis to identify the types of support that will be required to mitigate livelihood loss.

Identify and prioritise alternative livelihood options for workers (1/2)

Investing in alternative livelihoods will be central to creating local benefits and providing economic opportunities for impacted workers and communities. The approach outlined here provides a framework to identify and prioritise alternative livelihood opportunities, highlighting key criteria to inform alternative livelihoods planning.

1. List potential alternative livelihood options for workers.

Alternative livelihood options can be informed by:

- Regional priorities
- Local resources
- Worker and community priorities
- Renewable energy and emissions reduction targets

Alternative livelihood opportunities might include:

- Renewable energy construction, operation and manufacturing
- Distributed energy resources
- Sustainable agriculture
- Tourism
- Critical mineral mining
- Early retirement

Identify and prioritise alternative livelihood options for workers (2/2)

Investing in alternative livelihoods will be central to creating local benefits and providing economic opportunities for impacted workers and communities. The approach outlined here provides a framework to identify and prioritise alternative livelihood opportunities, highlighting key criteria to inform alternative livelihoods planning.

2. Evaluate and prioritise according to key just transition criteria.

Site repurposing criteria

Which site repurposing options...

- Are physically and technologically feasible?
- Are favoured by workers and local communities?
- Support long-term economic and social resilience?
- Align with environmental and climate change objectives?

Regional alternative livelihoods criteria

Which alternative livelihoods...

- Are physically and technologically feasible?
- Are favoured by workers and local communities?
- Support long-term economic and social resilience?
- Align with environmental and climate change objectives?

3. Once alternative livelihood options have been shortlisted and prioritised, they can be assessed to inform plans and strategies.

Assess impacts of alternative livelihood options on workers to inform the worker and community support strategy

Once potential industries for alternative livelihoods have been identified, it will be important to understand the available jobs and livelihood opportunities to inform support measures for workers. The approach below provides a framework to assess the opportunities, highlighting factors that must be understood to inform alternative livelihoods planning.

Assess created jobs	Job quantities and types	Employment quality and stability
<p>Direct employees: those employed by the new development.</p>	<ul style="list-style-type: none"> • Determine number of full-time equivalent (FTE) jobs that are expected to be available in the industry. • Identify types of jobs that the industry provides and job roles. • Identify transferrable skills and training needs. • Identify relocation needs. 	<ul style="list-style-type: none"> • Evaluate quality of employment provided by the industry, including job security, pay and benefits. • Evaluate impacts on vulnerable groups, including gender considerations. • Determine whether workers will have union representation. • Evaluate whether workers will retain dignity and respect. • Evaluate working conditions and safety measures. • Determine if employees will receive social security benefits, including pensions. • Determine resilience of the industry in relation to the energy transition and other market drivers.
<p>Indirect employees: those employed by industries reliant on the new development.</p>		
<p>Induced employees: those working in industries enabled by spending of direct workers.</p>		

Use this analysis to identify the types of support that will be required for workers to transfer, such as skills and training programmes and relocation support.

Assess impacts of alternative livelihood options on communities to inform the worker and community support strategy

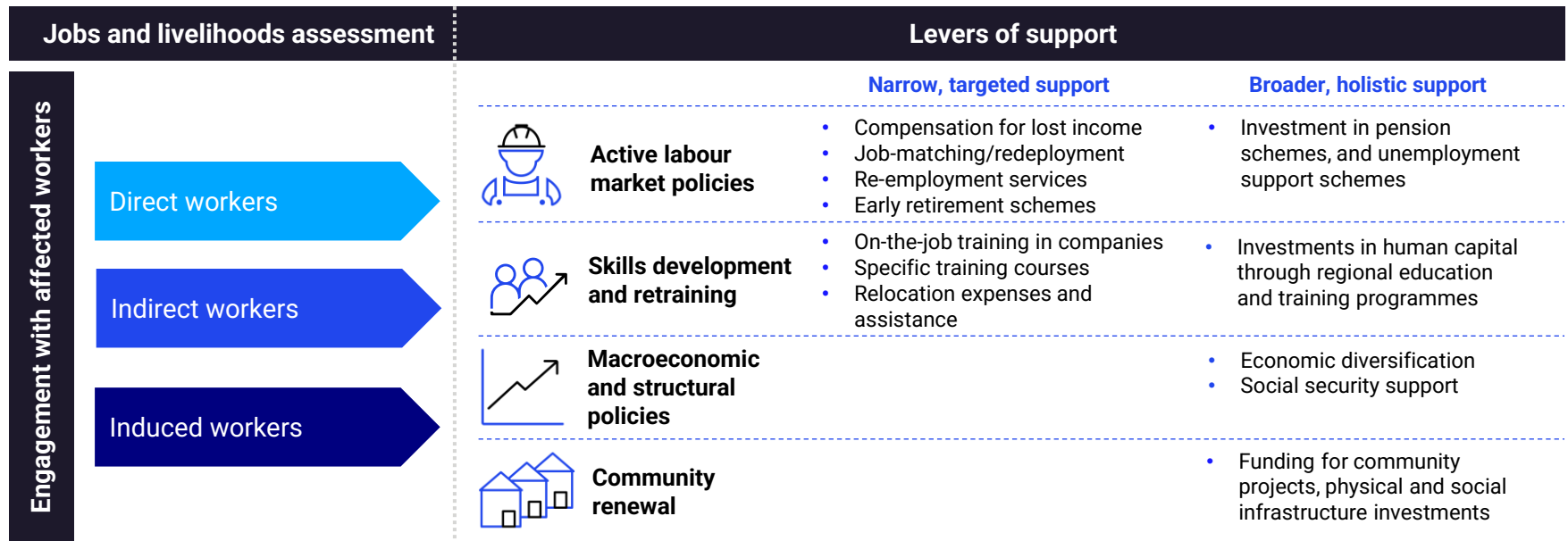
The approach below provides a framework to assess the opportunities and risks of industries and economic opportunities for communities, highlighting key factors to inform planning.

Assess community impacts		
Local economic resilience	Community cohesion	Environment and health
<p>Affected community</p> <ul style="list-style-type: none"> • Evaluate contribution of the industry to diversification of the local economy. • Determine likely contributions of the new industry to local and state revenue through taxes and royalties. • Evaluate resilience of the industry in relation to the energy transition and other market drivers. • Determine the impact that the industry will have on local services. • Assess the industry’s contribution to positive regional ‘soft’ factors that create a high quality of life and retain workers. 	<ul style="list-style-type: none"> • Evaluate how to ensure that the economic benefits from the industry will be distributed equitably. • Determine whether the new industry will require a large out-migration or influx of workers, and the impact of this on the community. • Determine any likely impacts on traditional livelihoods. • Assess potential impacts on vulnerable groups, including women, households living in poverty, the elderly and marginalised groups. • Understand and respect community attitudes towards the industry. 	<ul style="list-style-type: none"> • Identify whether the industry reduces dependence of the community on fossil fuels and natural resources. • Identify the likely impacts of the industry on the local environment, including on land, water and air. • Identify potential health risks or opportunities of the industry, including air pollution and access to clean cooking.

Use this analysis to identify the support required to take advantage of opportunities for communities and mitigate any risks.

Design support programmes to enable the transition to alternative livelihoods

The jobs and livelihoods assessment will inform the support required to mitigate the risks and realise the opportunities of the transition. Levers which can be used to manage the transition range from narrow and targeted (e.g., compensation and early retirement), to broad and holistic (e.g., community funding, economic diversification, and skills and training courses).



Implement worker support programmes to mitigate the risks of the transition and take advantage of the opportunities.

Implement, monitor, evaluate and adapt where required

Monitoring and evaluation, through ongoing stakeholder engagements and communication, will help to ensure that interventions are having the desired effects for impacted workers. This process will enhance the efficacy of support measures and help to maintain the social and political support of stakeholders, particularly if effective and positive outcomes are clearly demonstrated.



Feed back into intervention design

Identify and understand
affected workers

Design alternative livelihoods
and support programmes

Implement, monitor, evaluate and adapt

- Evaluate the outcomes of just transition interventions against:
 - The **mutually agreed transition objectives**
 - The **just transition principles**
 - The **three pillars of the framework**
- Implementation, monitoring and evaluation should be in close collaboration with impacted workers and communities.
- This should include assessment of the **distributional impacts** of the transition, which will require disaggregating data by key characteristics (gender, age, income level).

Illustrative evaluation criteria

Employment and livelihoods:

- Net (un)employment
- 'Green' jobs created
- Employment quality: wages, safety, working conditions, security, skill levels
- Access to and uptake of (green) skills development opportunities

JUST TRANSITION PLANNING FRAMEWORK

Communities and environment

Assess the impacts of the transition on the community






Understanding the social and economic resilience of the affected community will inform the extent of support measures required. The approach below provides a framework to assess community and environmental impacts of plant closure and the broader energy transition.

Assess socioeconomic resilience and community impacts			
	Revenue and services	Community cohesion	Environment and health
Affected community	<ul style="list-style-type: none"> Assess dependence of state revenue on incumbent industries. Identify basic services to be impacted by state revenue loss and plant closure. Identify public services provided by the polluting industry at risk. Evaluate industry contribution to national and state revenue. Evaluate the social spending of incumbent industries (e.g., CSR). 	<ul style="list-style-type: none"> Evaluate socioeconomic resilience and potential vulnerabilities of the community by collecting data on poverty rates, employment rates, income inequalities, and access to social safety nets. Understand community concerns and attitudes towards plant closure. 	<ul style="list-style-type: none"> Evaluate impact of plant closure on greenhouse gas emissions. Determine impacts of plant closure on air pollution, water, land and potential for hazardous waste.

Use this analysis to identify the types of support that will be required to mitigate impacts on the local community from asset closures, and to take advantage of the opportunities.

Design support measures to inform the worker and community support strategy

There are a number of levers available to support communities through the just transition. Potential interventions are summarised below and range from the redirection of fossil fuel subsidies to economic diversification and community funding.

Opportunities and risk assessment		Support for communities (broad, holistic policy solutions)	
Engagement with affected community	Revenue and basic services	 Renewables development	<ul style="list-style-type: none"> • Redirect fossil fuel subsidies to invest in renewables • Develop incentives to attract investment in renewables • Remove barriers to renewable energy development
	Community cohesion and resilience	 Macroeconomic and structural policies	<ul style="list-style-type: none"> • Diversifying the economy and business • Social security systems, unemployment benefits, pensions
	Environment and health	 Community renewal	<ul style="list-style-type: none"> • Funding for community projects • Support to regions based on potential opportunities • Building up local entrepreneurial networks • Skills and training programmes
		 Environmental rehabilitation	<ul style="list-style-type: none"> • Rehabilitation of former polluting industry sites • Investment in sustainable agriculture
		 Community and personal health	<ul style="list-style-type: none"> • Counselling services and mental health support • Support for health impacts of the transition

Implement community support measures to mitigate the risks of the transition and take advantage of the opportunities.

Implement, monitor, evaluate and adapt where required

Ongoing monitoring and evaluation will help to ensure that interventions are having the desired effects for impacted communities. This process will enhance the efficacy of support measures and help to maintain the social and political support of key community stakeholders, particularly if effective and positive outcomes are clearly demonstrated.



- Evaluate the outcomes of just transition interventions against:
 - The **mutually agreed transition objectives**
 - The **just transition principles**
 - The **three pillars of the framework**
- Implementation, monitoring and evaluation should be in close collaboration with impacted workers and communities.
- This should include assessment of the **distributional impacts** of the transition, which will require disaggregating data by key characteristics (i.e., gender, age, income level).

Illustrative evaluation criteria

Regional cohesion:

- Regional income disparities
- Poverty rates
- In- /out- migration rates
- Violence

Environment:

- State-level greenhouse gas emissions
- Air pollution
- Water pollution
- Land pollution

Services:

- Housing
- Energy (e.g., access, cost, reliability)
- Water (e.g., quality, access, safety)
- Mobility (e.g., access to transport, costs)
- Food and nutrition
- Access to education

JUST TRANSITION PLANNING FRAMEWORK

Conclusions and next steps

Conclusions and next steps



The just and inclusive energy transition is an opportunity to expand access to decent livelihoods, embed green, sustainable local economic development and meet the energy needs of communities and businesses. There are a number of green and 'non-green' potential alternative livelihoods for workers in coal-dependent areas, providing opportunities to diversify local economies, develop low carbon energy systems and create local wealth.



The **Just Transition Planning Framework** presented in this report seeks to support this by outlining guidance which can be applied to inform the required interventions. The just transition must be locally-focused, context-specific and embedded in the needs and concerns of local communities. It will be crucial, therefore, to undertake further testing of this framework to ensure that it is effective in meeting those needs.

The **Just Transition Planning Framework** outlined in this report must be tested further and adapted for applicability in local contexts.

Key decision-makers can build on the findings outlined in this report and apply the framework where they feel it is appropriate, working with local partners to gather primary data.

JUST TRANSITION PLANNING FRAMEWORK

Key sources

Key sources

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