



Initial framework of social indicators for investments in a just transition

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Context

Lack of a clear, consistent, and unifying framework that allows for the practical identification of what constitutes a just transition, particularly its social and justice dimensions and their associated impacts, is **impeding investor decision-making.**

The **objective** of this work was therefore to:

- Provide an **initial** indication of a **set of consistent, comprehensive, and transparent social indicators.**

The **design criteria** for the framework included:

- **Gap-oriented** - Assessing the core differences between a just and unjust transition
- **Focus on impacted people** – focus on affected workers & communities and vulnerable groups
- **Evidence based** – drawing on context specific (Mpumalanga) examples, data and case studies, but applicable to a variety of contexts
- **Multi-level** – covering the different dimensions of just transition, including procedural, distributional and transformational outcomes
- **Systemic** - Focused on key systemic interventions in order to achieve a just transition
- **Incentivise investment diversity** - Encourage broad portfolio of diverse investment types and different pathways and levels of ambition
- **Aligned** with other frameworks



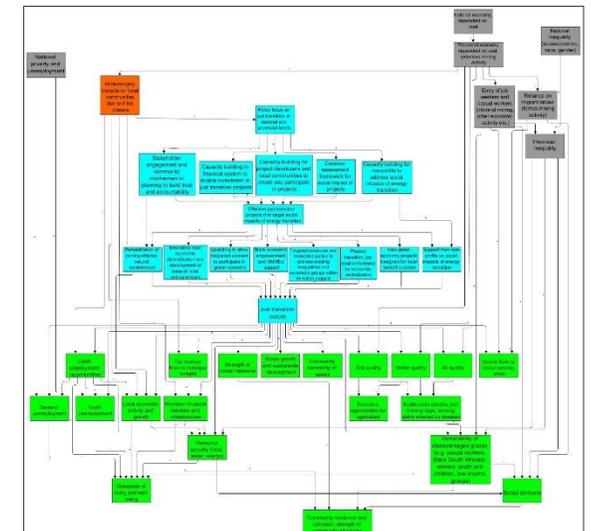
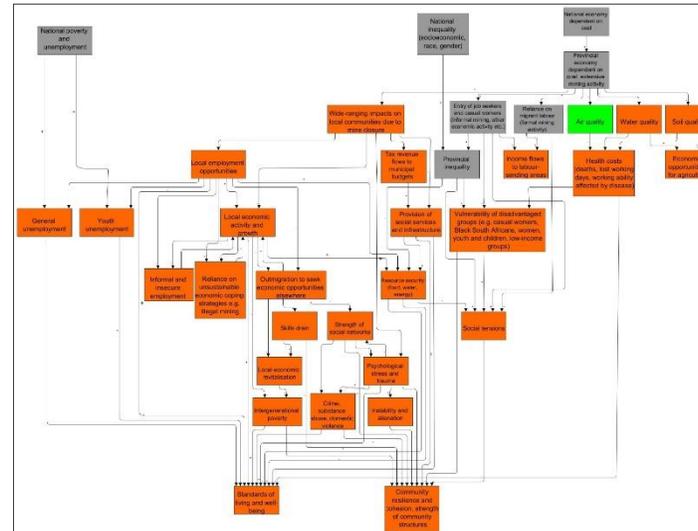
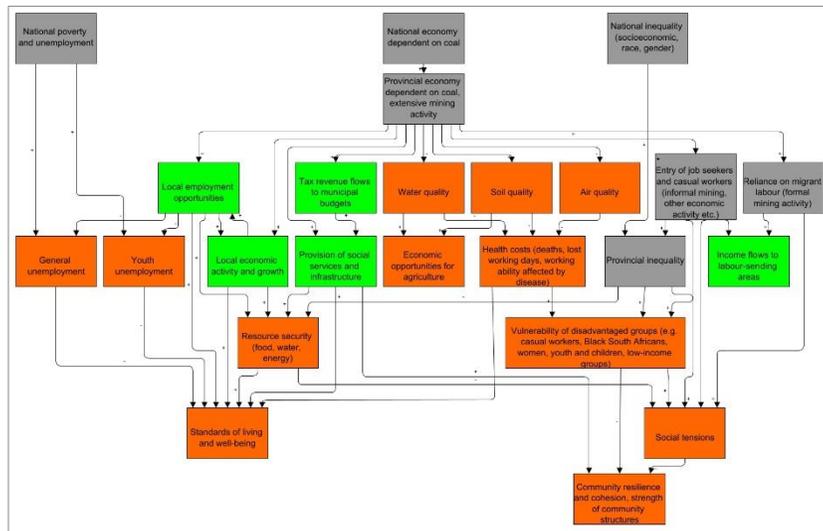
Mapping the social dimensions of transition

Categories of issues and specific indicators were identified through understanding and mapping the social system changes from the current status and comparing an unjust and just transition

Current status

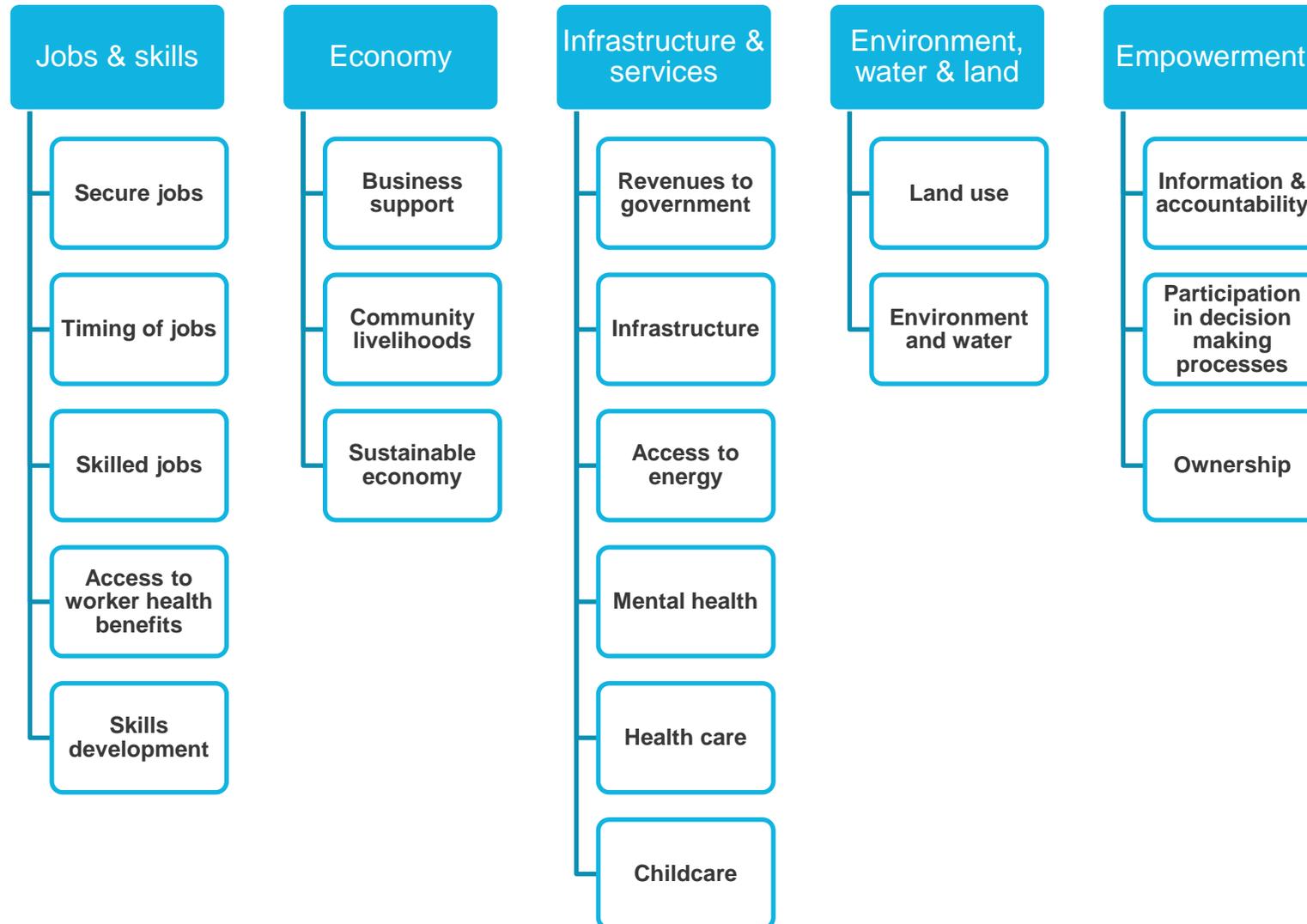
Unjust transition
(no intervention)

Just transition
(with interventions)



Categories of indicators

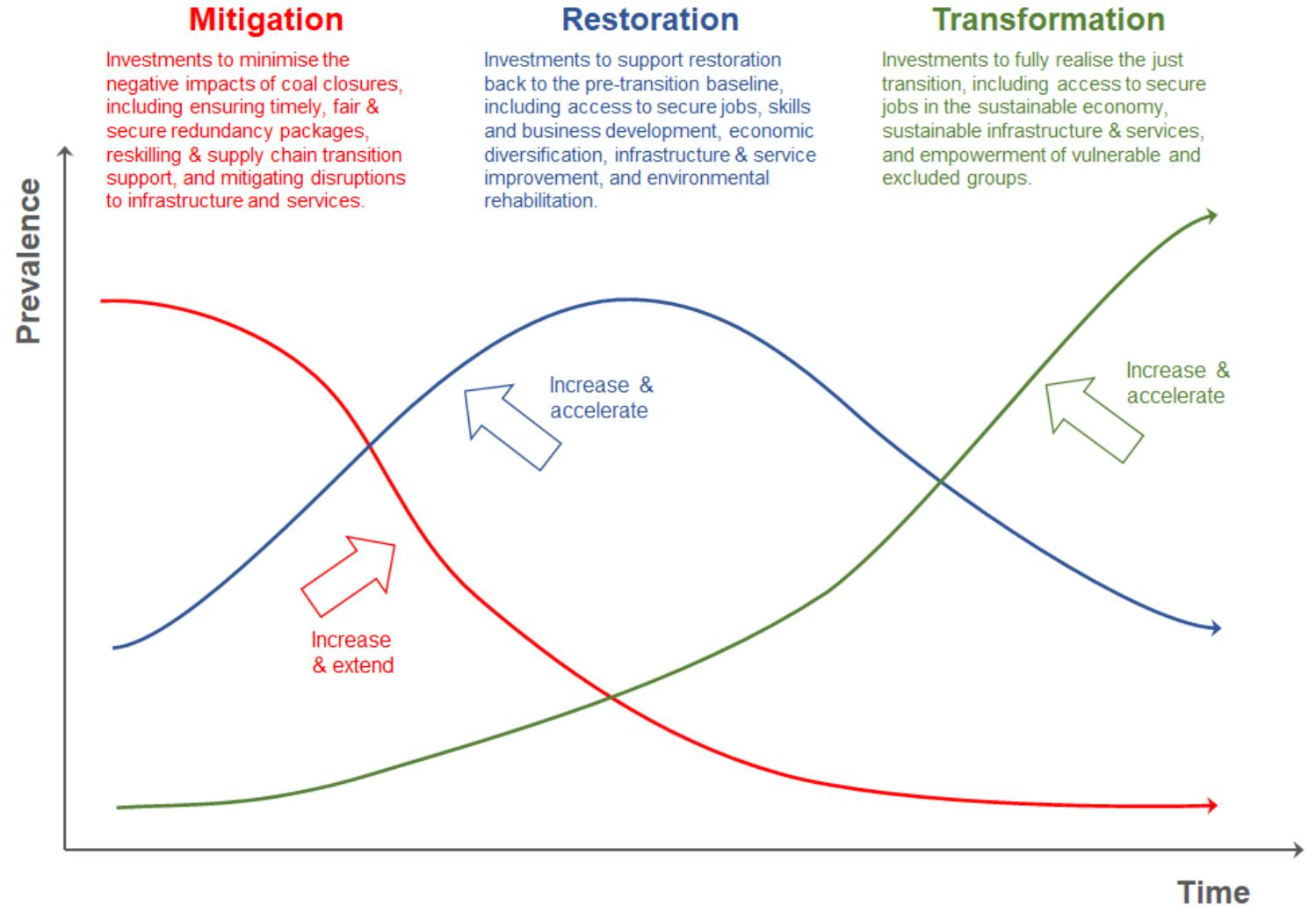
Consistent categories of indicators emerged



Impacts on 3 temporal horizons

... and need for investments across three linked by distinctive time horizons

1. Impacts resulting from closure of a certain economy (e.g. coal) or associated **mitigation** efforts
2. Impacts resulting from the **restoration** of social contexts to levels of well-being that existed prior to the transition, and
3. Impacts resulting from **transformation** of social systems towards economic and developmental sustainability and the addressing of wider injustices.



Screening questions for investments

Key questions help ensure investments are focused on Just Transition outcomes and there is a clear theory of change about what impacts are expected and how.

Is the **investment positively and/or negatively impacting** upon workers and communities adversely affected by decarbonising transition pathways, and if so, in what ways?

At what **scale** of geography will this investment have the envisaged positive / negative impacts?

When will the impacts occur?

How will the investment lead to the envisaged impacts?

What is the **level of confidence** that the envisaged impacts will be realised?

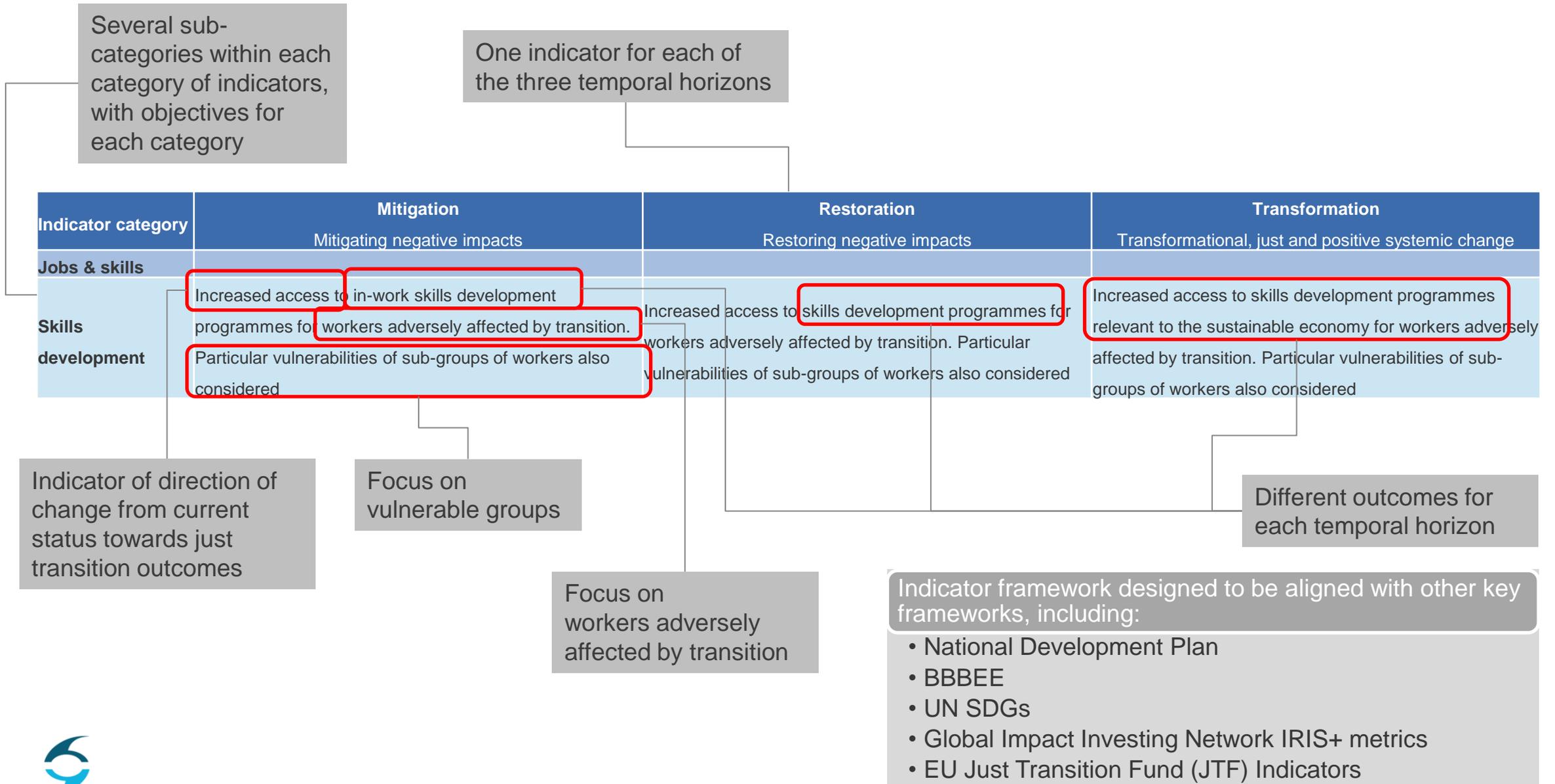


Enabling environment

Consideration of the enabling environment is a critical step in assessing feasibility of investments achieving the intended just transition impacts.

1. Planning	1.1 Data	What is the state of availability of socio-economic data relevant to the area?
	1.2 Vulnerability assessment	To what extent is the vulnerability of affected workers and communities in the area and the vulnerability of value chains understood?
	1.3 Planning	What is the extent of transition planning for the area?
	1.4 Engagement in planning	What is the degree of stakeholder engagement in planning?
2. Governance	2.1 Rights recognition	To what extent are rights recognised in the area?
	2.2 Policy	What is the extent of the preparedness of the local policy environment for transition?
	2.3 Government capacity	What is capacity of the local municipality/government?
	2.4 Worker representation	What is the capacity of unions to represent workers in the area?
	2.5 Community governance capacity	What is the capacity of community governance in the area?
	2.6 Access to remedy	What is the extent of access to and effectiveness of state and non-state remedy mechanisms?
	2.7 Collaboration between actors	What is the degree of collaboration between actors in the area?
3. Business/ Investment/ Economy	3.1 Compliance/do no harm	What is the degree of compliance with legislation and standards set to ensure no harm is done?
	3.2 Ease of doing business	What is the ease of doing business in the area?
	3.3 Access to finance	What is the state of the finance eco-system for businesses in the area?
	3.4 Wider economy	What is the state of the wider economy relevant to the investment?
	3.5 Corporate capacity	What is the capacity of companies to manage transition?
4. Social	4.1 Infrastructure	What is the state of infrastructure in the area?
	4.2 Service delivery	What is the quality of service delivery in the area?
	4.3 Inequality	What is the extent of inequality in the area?
	4.4 Poverty	What is the extent of poverty in the area?

Structure of the indicator framework



Jobs & skills

Indicator category	Mitigation Mitigating negative impacts	Restoration Restoring negative impacts	Transformation Transformational, just and positive systemic change
Jobs and skills	<i>Minimisation of negative impacts of transition on access to fair, contractually secure and safe conditions of employment & equivalent jobs and worker benefits, for affected workers, particularly vulnerable sub-groups therein</i>	<i>Restoration of access to fair, contractually secure & equivalent jobs and worker benefits in alternative sectors for workers, particularly vulnerable sub-groups therein, adversely affected by transition</i>	<i>Access to fair, contractually secure and safe jobs and worker benefits in the sustainable economy for workers adversely affected by transition, particularly for vulnerable sub-groups therein</i>
Secure jobs	Increased access to fair and secure retrenchment packages for workers adversely affected by transition. Particular vulnerabilities of sub-groups of workers also considered	Increased access to secure jobs for workers along the supply chain adversely affected by transition. Particular vulnerabilities of sub-groups of workers also considered	Increased access to secure jobs in the sustainable economy for workers along the supply chain adversely affected by transition. Particular vulnerabilities of sub-groups of workers also considered
Timing of jobs	Increased alignment of timing of redundancies with availability of alternative skills programmes and access to alternative jobs for workers adversely affected by transition	Increased transparent sharing of information and alignment of timing access to alternative jobs for workers adversely affected by transition in line with redundancies	Increased co-designed and transparent sharing of information and alignment of timing access to alternative jobs in the sustainable economy for workers adversely affected by transition in line with redundancies
Skilled jobs	Increased access to redeployment opportunities for workers adversely affected by transition	Increased access to jobs aligned with the skills of workers adversely affected by job losses related to transition	Increased access to jobs in the sustainable economy aligned with the skills of workers adversely affected by job losses related to transition
Access to worker health benefits	Increased security of access to worker benefits for chronic diseases for those adversely affected by transition	Increased access to healthcare for chronic diseases for those adversely affected by transition	Sustainable delivery of healthcare for chronic diseases for those adversely affected by transition
Skills development	Increased access to in-work skills development programmes for workers adversely affected by transition. Particular vulnerabilities of sub-groups of workers also considered	Increased access to skills development programmes for workers adversely affected by transition. Particular vulnerabilities of sub-groups of workers also considered	Increased access to skills development programmes relevant to the sustainable economy for workers adversely affected by transition. Particular vulnerabilities of sub-groups of workers also considered



Economy

Indicator category	Mitigation Mitigating negative impacts	Restoration Restoring negative impacts	Transformation Transformational, just and positive systemic change
Economy	<i>Minimisation of negative impacts on businesses and economies adversely affected by net zero transition</i>	<i>Increased diversification and resilience of businesses and economies adversely affected by net zero transition</i>	<i>Increased diversification and resilience of sustainable businesses in economies adversely affected by net zero transition</i>
Business support	Increased access to programmes supporting businesses prior to being adversely affected by transition	Increased access to programmes supporting businesses adversely affected by transition	Increased access to programmes for businesses in the sustainable economy that bring benefits to workers and community members adversely affected by transition
Community livelihoods	Increased access to programmes supporting community livelihoods prior to being adversely affected by transition	Increased access to programmes supporting community livelihoods adversely affected by transition	Increased access to programmes supporting community livelihoods in the sustainable economy that bring benefits to workers and community members adversely affected by transition
Sustainable economy	Minimisation of negative economic impacts resulting from transition	Increased diversification and resilience of economies adversely affected by transition	Increased diversification and resilience into sustainable activities in economies adversely affected by transition



Infrastructure and services

Indicator category	Mitigation Mitigating negative impacts	Restoration Restoring negative impacts	Transformation Transformational, just and positive systemic change
Infrastructure and services	<i>Minimisation of negative impacts of transition on access to public infrastructure and service delivery, particularly for those most vulnerable</i>	<i>Restoration of access to public infrastructure and service delivery due to negative impacts of transition, particularly for those most vulnerable</i>	<i>Transformational improvements in access to public infrastructure and service delivery for people adversely affected by transition, particularly for those most vulnerable</i>
Revenues to government	Minimisation of revenue reductions for municipalities affected by transition	Increased diversification of revenues for municipalities affected by transition	Increased revenue flows from sustainable economy for municipalities affected by transition
Infrastructure	Minimisation of negative impacts on access to public and privately supplied infrastructure due to transition	Increased access to public infrastructure for communities, adversely affected by transition	Increased access to public infrastructure supporting the sustainable economy for communities, particularly low-income communities, adversely affected by transition
Access to energy	Minimisation of energy service disruptions due to transition for those adversely affected by transition, with particular attention to vulnerable sub-groups	Increased access to modern energy services for people adversely affected by transition, with particular attention to vulnerable sub-groups	Increased access to sustainable energy systems for people adversely affected by transition, with particular attention to vulnerable sub-groups
Mental health	Increased access to mental health services to address issues related to transition	Increased access to mental health services for individuals and communities adversely affected by transition	Increased access to mental health services for individuals and communities adversely affected by transition
Health care	Minimisation of negative impacts on access on health care related to transition	Increased access to health care for communities adversely affected by transition	Increased access to health care for communities adversely affected by transition
Childcare	Minimisation of negative impacts on access on childcare related to transition	Increased access to childcare for workers and community members adversely affected by transition	Increased access to childcare for workers and community members adversely affected by transition



Environment, water and land

Indicator category	Mitigation Mitigating negative impacts	Restoration Restoring negative impacts	Transformation Transformational, just and positive systemic change
Environment, water and land	<i>Minimisation of negative land, water and environmental impacts in areas affected by transition</i>	<i>Restoration of land, water and the environment in areas affected by transition</i>	<i>Net positive enhancements to land, water and the environment that enhance resilience in areas affected by transition</i>
Land use	Rehabilitation to pre-operations land-use of contaminated or polluted land owned by transition-affect companies	Increased, timeous rehabilitation of contaminated or polluted land and repurposing of infrastructure owned by transition-affect companies for use as green areas, social housing, economic or community activities	Increased, timeous rehabilitation of contaminated or polluted land, re-establishment of biodiversity and traditional land uses and repurposing of infrastructure owned by transition-affect companies for use as green areas, social housing, economic or community activities
Environment and water	Minimisation of negative environmental impacts, including on water quality, in areas affected by transition	Increased rehabilitation of environment and water quality in areas affected by transition	Increased net positive environmental enhancements, including enhancement of water quality, in areas affected by transition



Empowerment

Indicator category	Mitigation Mitigating negative impacts	Restoration Restoring negative impacts	Transformation Transformational, just and positive systemic change
Empowerment	<i>Empowerment of vulnerable people in processes related to transition</i>	<i>Empowerment of vulnerable people in processes related to restoration</i>	<i>Empowerment of vulnerable people in processes related to transformation and sustainable economy,</i>
Information & accountability	Increased access to information about transition, impacts and mitigating measures	Increased access to information about alternative activities	Increased access to information about sustainable economy
Participation in decision making processes	Increased consultation with affected workers and communities related to transition planning processes. Methodologies for people or groups with particular vulnerabilities also considered	Increased consultation with workers and communities adversely affected by transition on the restoration planning processes. Methodologies for people or groups with particular vulnerabilities also considered	Collaboration with workers and communities adversely affected by transition in the transformation planning processes. Methodologies for people or groups with particular vulnerabilities also considered
Ownership	Minimisation of negative impacts on asset ownership by workers and communities adversely affected by transition, with particular attention to vulnerable sub-groups	Increased asset ownership by workers and communities adversely affected by transition, with particular attention to vulnerable sub-groups	Increased asset ownership in sustainable economy by workers and communities adversely affected by transition, with particular attention to vulnerable sub-groups





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