

POLICY BRIEF



Enhancing JET Partnerships to Accelerate Fossil Fuel Phase-Out in the Oil and Gas Sector: A G20 Perspective

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Accelerating Climate Action and the Just Energy Transition



Abstract

This policy brief proposes recommendations to enhance Just Energy Transition Partnerships (JETPs) as a mechanism to accelerate the phase-out of fossil fuels, particularly in the oil and gas sector. Considering the global imperative to address climate change, environmental degradation and biodiversity loss, JETPs have emerged as collaborative frameworks designed to support developing economies in their transition to clean energy whilst addressing social, economic and ecological implications. However, despite their initial success, critical challenges remain, limiting their effectiveness and scalability.

One major challenge pertains to their capacity to adapt to the specific transition needs and development priorities of each country. Because the first JETPs were designed to foster coal phase-out, there is growing recognition within the G20 that new partnerships must be expanded and adapted to encompass the energy sector as a whole, specifically addressing the realities of oil and gas-dependent economies.

This policy brief proposes a methodology to support decision-making within the G20 concerning efforts to establish JETPs that are effective in advancing oil and gas (O&G) phase-outs. In the first section, it presents a framework to prioritise G20 support for countries that rely heavily on O&G revenues and have no fiscal space to invest in transition strategies, whilst at the same time presenting governance levels that allow for the realistic implementation of JETPs. In the second section, it offers key recommendations to enhance JETPs as a tool for comprehensive fossil fuel phase-out.

Part of the recommendations focus on how JETPs should expand to encompass O&G sector transitions, with strategies for stranded assets, workforce reskilling, and emissions reductions. Others centre on key lessons learned from current JETPs, especially concerning transparent governance, alignment with national transition plans, and robust monitoring frameworks.

By optimising JETPs through improved design and governance, the G20 can support global efforts to accelerate just energy transitions, particularly in the O&G sector.

Keywords: Just Energy Transition Partnerships (JETPs), Country Platforms, Fossil Fuel Phase-Out

Diagnosis

Country Platforms (CPs) are multi-stakeholder coordination mechanisms that seek to leverage climate and development finance by de-risking private investment and establishing governance and monitoring frameworks that ensure resources are allocated according to the countries' national development priorities and transition plans.¹ The G20 played a major role in the development of this concept² and laid the foundation for the creation of Just Energy Transition Partnerships (JETPs), a specialised form of Country Platform focusing on the decarbonisation of the energy sector.³

The first JETP was established in South Africa in 2021 with financing from the International Partners Group (initially US, UK, Germany, France, and the EU).⁴ Like the following JETPs in Indonesia and Vietnam, it is focused on accelerating coal phase-out whilst addressing the transition's social and economic challenges.⁵

¹ Melanie Robinson, Crispian Olver, "Are 'Country Platforms' the Key to Delivering Green Growth at Scale?", *World Resources Institute* | *World Resources Institute*, February 19, 2025, <https://www.wri.org/technical-perspectives/country-platforms-delivering-green-growth-scale> (accessed March 2025)

² Eminent Persons Group, *Making the Global Financial System Work For All*, October 2018 <https://www.globalfinancialgovernance.org/files/g20epg-full%20report.pdf> (accessed March 2025)

³ Tokelo Shai, "What Are JETPs? (Just Energy Transition Partnerships)", *Institute for Human Rights and Business (IHRB)*, November 6, 2025, [https://www.ihrb.org/resources/what-are-jetps-just-energy-transition-partnerships#:~:text=Just%20Energy%20Transition%20Partnerships%20\(JETPs.socially%20inclusive%20low%2Dcarbon%20economy.](https://www.ihrb.org/resources/what-are-jetps-just-energy-transition-partnerships#:~:text=Just%20Energy%20Transition%20Partnerships%20(JETPs.socially%20inclusive%20low%2Dcarbon%20economy.) (accessed March 2025)

Cosima Cassel, Leo Roberts, Rainer Quitzow, Petter Lydén, "Just Energy Transition Partnerships - what donors must do to drive progress", *E3G - A safe climate for all*, April 25, 2024 <https://www.e3g.org/news/just-energy-transition-partnerships-what-donors-must-do-to-drive-progress/> (accessed March 2025)

Directorate-General for Climate Action, "Joint article on Just Energy Transition Partnerships", *European Commission*, 20 January 2025, https://climate.ec.europa.eu/news-your-voice/news/joint-article-just-energy-transition-partnerships-2025-01-20_en (accessed March 2025)

Amy Cano Prentice, Shandelle Steadman, Archie Gilmour, "Big Plans for a New Generation of Country Platforms", *ODI Global*, <https://odi.org/en/insights/big-plans-for-a-new-generation-of-country-platforms/> (accessed March 2025)

⁴ South Africa Just Energy Transition Investment Plan (JET IP), *Presidential Climate Commission*, <https://www.climatecommission.org.za/south-africas-jet-ip> (accessed April 1 2025)

⁵ Ordonez, J.A., T. Vandyck, K. Keramidis, et al. "Just Energy Transition Partnerships and the Future of Coal." *Nature Climate Change* 14 (2024): 1026–1029, <https://www.nature.com/articles/s41558-024-02086-z> (accessed February 2025)

However, the announcement of Senegal's JETP in 2022 poses questions about how these platforms should be structured in countries that depend on fossil fuels other than coal, specifically oil and gas (O&G).⁶ It has sparked growing recognition within the G20 of the importance of adapting JETPs to encompass oil- and gas-dependent economies.⁷

In this context, this policy brief proposes a methodology to prioritise G20 support for the implementation of JETPs in countries that depend on O&G revenues and require technical and financial resources to phase-out. Additionally, it puts forth recommendations for the design and implementation of JETPs that incorporate the entire energy sector, addressing the complex transition needs of O&G industries whilst fostering economic diversification and social protection.

Priority countries for the implementation of Jetps to promote O&G phase-out

This section proposes a methodology to identify priority countries for the establishment of JETPs based on O&G dependence and fiscal capacity to support the transition. The methodology departs from an initial assessment of the 30 most oil and gas-dependent countries, measured by their oil rent/GDP percentage. Subsequently, the debt-to-GDP ratio of each country is considered

⁶ Aida Diop, Nafi Chinery, Fatima Diallo, "Senegal's JETP: Lessons, Challenges, Opportunities and the Role of Civil Society", *Natural Resources Institute*, December 11, 2024, <https://resourcegovernance.org/articles/senegals-jetp-lessons-challenges-opportunities-and-role-civil-society> (accessed April 4 2025)

Matt Webb, Madhura Joshi, Leo Roberts, Dido Gompertz, Suzie Marshall, "Beyond negotiated text: building diplomatic groundswell for energy transition in 2025", November 21 2024, *E3G - A safe climate for all*, <https://www.e3g.org/news/beyond-negotiated-text-building-diplomatic-groundswell-for-energy-transition-in-2025/> (accessed March 2025)

Rockefeller Foundation Outlines 4 Ways To Scale JETPs, *The Rockefeller Foundation*, February 15, 2024, <https://www.rockefellerfoundation.org/news/rockefeller-foundation-outlines-4-ways-to-scale-jetps/> (accessed March 2025)

⁷ Joe Loe, "Bid to end export credit help for oil and gas fails, with Korea and Türkiye opposed", *Climate Home News*, January 14 2025, <https://www.climatechangenews.com/2025/01/14/bid-to-end-export-credit-help-for-oil-and-gas-fails-with-korea-and-turkiye-opposed/> (accessed April 1 2025)

to have a preliminary ranking. To emphasise the urgency of reducing economic dependence on O&G, the oil revenue-to-GDP ratio is weighted three and the debt-to-GDP ratio is weighted two.

Figure 1 reveals that seven of the top ten most vulnerable countries are in Africa, while the remaining three are in the Middle East and Central Asia. JETPs can enable these countries to reduce carbon dependence and economic vulnerabilities by investing in renewable energy, resource efficiency, industrial diversification, workforce reskilling, and development of local value chains.

Figure 1: Ranking of priority countries to receive JETPs for O&G phase-out

Country	Oil Rents (% of GDP)	Government Debt (% of GDP)	Total
Libya	61,03	155,1	493,29
Eritrea	21,08	175	413,24
Zambia	35,26	120,3	346,38
Angola	29,97	123,8	337,51
Iraq	43,45	89,4	309,15
Republic of Congo	37,71	83,5	280,13
Mozambique	14,91	108,8	262,33
South Sudan	42,38	64,1	255,34
Bahrain	16,64	102,7	255,32
Mongolia	33,14	74,4	248,22

Source: World Bank and Trading Economics: (elaborated on by authors)

G20 countries play a crucial role in redefining the framework for JETPs to effectively address the challenges of O&G phase-out. The ranking indicates that African Union member states are particularly vulnerable, and would benefit from targeted support. Rather than assuming a one-size-fits-all approach, tailor-made

JETPs are needed to reflect the unique characteristics, needs and development priorities of each country.

Although dependence on O&G revenues and fiscal space are relevant economic criteria, low governance levels can contribute to undermining the effectiveness of JETPs. To address this concern, Figure 2 utilises the Bertelsmann Transformation Index (BTI),⁸ a robust governance evaluation framework, to revise the ranking from Figure 1, considering a threshold of 4 (the global average is 5.12). The objective is to conciliate economic and governance indicators, restraining the ranking to countries with levels of political stability and rule of law that allow for the realistic implementation of JETPs.

Figure 2: Ranking of priority countries to receive JETPs for O&G phase-out, considering BTI

Country	Oil Rents (% of GDP)	Government Debt (% of GDP)	BTI (2022)	Total
Zambia	35,26	120,3	4,34	346,38
Angola	29,97	123,8	4,21	337,51
Mozambique	14,91	108,8	4,11	262,33
Bahrain	16,64	102,7	4,5	255,32
Mongolia	33,14	74,4	6,45	248,22
Oman	29,21	60,5	4,3	208,63
Ghana	13,35	78	6,79	196,05
Gabon	18,49	64,7	4,82	184,87
Qatar	27,29	46	5,86	173,87
Mali	18,42	45	4,36	145,26

Source: World Bank and Trading Economics (elaborated on by authors).

⁸ Bertelsmann Transformation Index (BTI), Methodology, <https://bti-project.org/en/methodology> (accessed on April 4, 2025)

We can observe that the ranking in Figure 2 varies significantly from Figure 1, revealing a relationship between resource-dependence and fragile governance that is well recognised in existing literature. In countries like Libya, Eritrea, South Sudan and the Republic of Congo, which are excluded from the ranking by the threshold, the G20 should explore alternative support mechanisms to meet their specific needs, potentially establishing enabling conditions for JETPs to be developed further on.

Because G20 countries are major JETP supporters, having clear criteria to determine which countries should be prioritised in the implementation of JETPs focused on O&G phase-out is critical to support decision-making within the Group.

Recommendations

Enhancing JETs for fossil fuel phase-out: lessons learned and recommendations

A just transition from fossil fuels, including O&G, requires an integrated approach that considers social and economic impacts. This section highlights key lessons⁹ from existing JETPs to guide new, more effective and inclusive partnerships.

⁹ The energy transition: Learned South Africa and Senegal, NJ Ayuk, *Africa Energy Chamber*, January 21, 2025. <https://www.intellinews.com/africa-s-just-energy-transition-aec-shares-insights-from-south-africa-and-senegal-362562/> (accessed April 2025)

Navigating energy transition together: shared learnings from South Africa, Indonesia and Vietnam. July 2023. <https://www.jetknowledge.org/knowledge/navigating-just-energy-transition-together-shared-learnings-south-africa-indonesia-vietnam/> (accessed April 2025)

Assessment tool for Just Energy Transition Plans, GIZ, WWF, April 2024. <https://www.jetknowledge.org/knowledge/giz-wwf-assessment-tool-just-energy-transition-plans/> (accessed April 2025)

Strengthening Just Energy Transition Partnerships: lessons learned for a just energy transition. November 2024. <https://www.transparency.org/en/publications/strengthening-just-energy-transition-partnerships-jetps-lessons-learned-for-a-just-energy-transition> (accessed April 2025)

1. Learn from front-runners. Denmark's fossil fuel phase-out provides a structured model for G20 countries aiming to reduce oil and gas dependence. In 2020, Denmark committed to ending new oil and gas exploration and set a production phase-out date of 2050. This was based on a robust technical and economic feasibility study addressing stranded assets, employment, and energy security. Key milestones – such as cancelling new licencing rounds and establishing a just transition platform – were accompanied by early engagement with stakeholders including unions, industry, and civil society. Denmark's approach shows the value of setting clear timelines and building broad-based support to ensure a socially resilient transition.

Colombia offers an emerging economy perspective, gradually advancing a fossil fuel phase-out while managing economic and social risks. The current administration has pledged to stop issuing new exploration contracts and is conducting impact assessments with support from UPME and international partners. Public dialogues with local communities and extractive regions aim to shape a just and inclusive transition. Colombia's case highlights how early planning, economic diversification, and stakeholder engagement can help pave the way for credible O&G phase-out strategies in developing contexts.

2. Coordinate fiscal and energy transition planning. JETPs must link the phase-out of O&G with a fiscal transition strategy. Clear timelines for reducing fossil fuel dependence should be matched by efforts to diversify economies, reduce vulnerability and broaden the tax base, avoiding anchoring public finances in fossil fuel revenues. Fossil fuel subsidies must be phased out responsibly, and fossil fuel revenues must be used to finance the transition, with dedicated transition funds sourced from redirected fossil revenues, carbon taxes, or royalties, supporting clean energy, infrastructure, healthcare, education, institutional capacity, or just transition measures. State-owned enterprises (SOEs) should be reformed to act as drivers of economic transformation by expanding their

portfolios into green sectors and leveraging public-private partnerships. Decommissioning fossil fuel infrastructure must be planned and financed in advance.

3. Address governance challenges and build institutional capacity. Governance challenges – particularly in African and other vulnerable countries – are key barriers that risk leaving them ‘stranded’ in the transition. Multi-stakeholder engagement, including private sector, trade unions, civil society, and affected communities, as seen in early JETPs, is essential but must be backed by adequate institutional capacity to ensure timely implementation, accountability, and public trust.

4. Align with national policies and platforms. JETP implementation has been hindered by misalignment with national energy, climate, and development strategies. Integrating JETPs into broader CPs that seek to implement NDCs is essential. Regulatory certainty and streamlined approval processes help attract private investment and international financing.

5. Develop a sustainable project pipeline and infrastructure readiness. JETPs should support structured pipelines for renewable, efficiency, and resilience projects, with input from public, private, and local stakeholders. As demonstrated by existing JETPs, grid upgrades, transmission, and storage are essential to enable scale and reliability.

6. Mobilise and allocate resources effectively. JETPs should combine grants, concessional loans, and private investment to optimise financial sustainability. Public finance must play a role in de-risking investments and attracting private capital. Transparent mechanisms for fund allocation and disbursement must be enforced.

7. Monitor risks and protect communities. JETPs must integrate comprehensive risk assessment frameworks to address financial, environmental, and social risks. Potential stranded assets, land degradation, and community displacement must be anticipated and mitigated. Long-term strategies, including environmental restoration and community engagement, should be incorporated.

8. Support workforce reskilling and social protection. JETPs must centre the just transition by financing retraining and social protection for workers and all communities dependent on fossil fuels, ensuring no one is left behind.

Conclusion

To be effective, JETPs must explicitly support the equitable phase-out of all fossil fuels. Despite the growth of renewables, O&G remains central to the global energy mix.¹⁰ Excluding them from JETP design risks leaving transitions incomplete and undermining climate and environmental goals.

JETPs should prioritise support for the least developed and fiscally vulnerable countries, where weak governance and high O&G dependence create serious transition risks. Without tailored support, these countries risk becoming stranded – economically and institutionally.

A fiscal transition framework is essential. Fossil fuel revenues must be redirected now to build institutional capacity, sustainable infrastructure, health, education, and a climate-resilient, low-carbon economy. Economic diversification is critical to broaden the tax base and reduce volatility. Fossil fuel subsidies must be phased

¹⁰ World Energy Outlook 2024. International Energy Agency (IEA), October 2024, <https://www.iea.org/reports/world-energy-outlook-2024> (accessed April 2025)

out responsibly,¹¹ with savings reinvested in social protection and sustainable development. SOEs should be reformed to drive investment in green industries.

The G20 must scale up concessional finance, with a greater share of grants to avoid increasing debt burdens. The G20 Roadmap towards Better, Bigger, and More Effective Multilateral Development Banks (MDBs) is critical to strengthen the role of development banks in JETP governance. JETPs should guide governments in using public finance strategically to leverage private capital and establish long-term financing policies. Regulatory incentives and risk-mitigation tools are needed to attract private investment. The G20 Energy Transition Working Group (ETWG) should work with the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA) and the OECD to provide technical assessments and direct support to countries implementing JETPs.

Finally, the just transition component must be central. JETPs should assist fossil fuel-dependent workers and communities through retraining, social protection, and development opportunities. G20 efforts should help align JETPs with climate, environmental and development goals, harmonising safeguards, facilitating knowledge sharing, and ensuring fair, inclusive, and durable fossil fuel phase-outs.

¹¹ G20 Rio de Janeiro Leaders' Declaration, November 2024, <https://g20.org/wp-content/uploads/2024/11/G20-Rio-de-Janeiro-Leaders-Declaration-EN.pdf> (accessed April 2025)

Appendix

Table 1. Complete ranking of priority countries to receive JETPs for O&G phase-out, considering TBI Index

Country	Oil Rents (% of GDP)	Government Debt (% of GDP)	Weight (3)	Weight (2)	BTI (2022)	Total
Libya	61,03	155,1	183,09	310,2	2,43	493,29
Eritrea	21,08	175	63,24	350	1,68	413,24
Zambia	35,26	120,3	105,78	240,6	4,34	346,38
Angola	29,97	123,8	89,91	247,6	4,21	337,51
Iraq	43,45	89,4	130,35	178,8	3,8	309,15
Republic of Congo	37,71	83,5	113,13	167	3,32	280,13
Mozambique	14,91	108,8	44,73	217,6	4,11	262,33
South Sudan	42,38	64,1	127,14	128,2	2,3	255,34
Bahrain	16,64	102,7	49,92	205,4	4,5	255,32
Mongolia	33,14	74,4	99,42	148,8	6,45	248,22
Oman	29,21	60,5	87,63	121	4,3	208,63
Ghana	13,35	78	40,05	156	6,79	196,05
Gabon	18,49	64,7	55,47	129,4	4,82	184,87
Iran	30,45	45,5	91,35	91	2,83	182,35
Qatar	27,29	46	81,87	92	5,86	173,87
Equatorial Guinea	23,5	46,8	70,5	93,6	2,97	164,1
Chad	21,34	42,1	64,02	84,2	3,07	148,22
Guyana	33,68	23,4	101,04	46,8		147,84
Mali	18,42	45	55,26	90	4,36	145,26
Saudi Arabia	25,57	32,5	76,71	65	4,39	141,71
Azerbaijan	29,94	20,7	89,82	41,4	4,47	131,22
Kazakhstan	26,84	24,9	80,52	49,8	4,91	130,32
UAE	17,63	38,3	52,89	76,6	6,01	129,49
Chile	16,9	38,2	50,7	76,4	8,74	127,1
Liberia	21,92	30,5	65,76	61	5,28	126,76
Timor-Leste	34,73	10,2	104,19	20,4	6,09	124,59
Uzbekistan	20,47	29,7	61,41	59,4	4,11	120,81
Kuwait	29,28	11,5	87,84	23	5,79	110,84
Brunei	24,28	3,2	72,84	6,4		79,24

Table 2. Key information on current JETPs

Country	Overview	Key challenges
South Africa	In 2021, South Africa became the inaugural participant in a JETP, securing an \$8.5 billion commitment from international partners. The partnership aims to assist South Africa in reducing its heavy reliance on coal and achieving peak carbon emissions between 350-375 million tons by 2030.	Persistent power blackouts and infrastructural issues have hindered progress, raising concerns about meeting targets. Critics have pointed out that the financing structure relies heavily on loans rather than grants, potentially exacerbating South Africa's debt burden.
Indonesia	In 2022, Indonesia entered into a \$20 billion JETP agreement with the G7 and other partners to decarbonise its coal-dependent economy. The plan includes capping annual emissions at 250 million tons and increasing the share of renewable energy to 44% by 2030.	As of the end of 2024, only a fraction of the pledged funds had been allocated to projects, impeding momentum. Similar to South Africa, the financial package includes a significant proportion of loans, raising concerns about fiscal sustainability, and does not include O&G sectors.
Vietnam	Vietnam secured a \$15.5 billion JETP deal in late 2022, aiming to peak its emissions earlier than planned and limit coal plant capacity to 30.13 GW.	Critics have highlighted that the partnership lacks sufficient mechanisms to ensure a just transition for all societal groups, particularly those dependent on the coal industry. O&G are not included in the partnership.
Senegal	Announced in June 2023, Senegal's JETP involves a €2.5 billion commitment from international partners, including Germany, France, the EU, the UK, and Canada. The goal is to increase renewable energy capacity to 40% of the electricity mix by 2030.	The partnership supports Senegal's efforts to diversify its energy portfolio and reduce dependence on fossil fuels. The agreement coincides with Senegal's initiation of O&G production, posing challenges in aligning fossil fuel development with sustainable development, climate and environmental commitments.

Common challenges:

- Funding structure: A prevalent reliance on loans over grants raises concerns about increasing debt levels in participating countries.
- Implementation bottlenecks: Delays in disbursement, transparency and project execution together with lack of integrated planning.
- Social equity: Ensuring that energy transitions are inclusive and equitable remains a critical challenge, particularly for indigenous peoples, women, and communities reliant on fossil fuel industries.

T20 South Africa Convenors



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