

Fourteenth session of the Assembly
Abu Dhabi, 17-18 April 2024

Background Note

Plenary Session on Policies and Skills for an Accelerated Energy Transition

1. Governments have a crucial role to play in placing the world on a 1.5°C pathway in a just and inclusive way. All too often, the energy transition discourse relegates governments' responsibilities to creating an enabling environment for private investments through predictable and stable policies, and the implementation and design of instruments that de-risk investment in projects. Although this is crucial, the public-private sector balance in terms of policymaking focus needs close attention; a much broader and more integrated policy approach is required to facilitate the adoption of the energy transition solutions needed to achieve the 1.5°C target and unlock its socio-economic benefits. These include policies and measures to strengthen supply chains and domestic capacities and maximise local value creation.
2. The vulnerabilities of key renewable energy industries to logistics bottlenecks, commodity and component import dependencies and price volatility, as well as trade barriers, have become increasingly apparent in recent years. Renewable energy supply chains have become a priority agenda for policy makers, as demand and competition for critical raw materials and production capacity become more acute. If not well managed, competition, security and scarcity challenges in renewable energy supply chains could lead to a disorderly transition, characterised by slower and even more uneven rates of renewables deployment at inflated costs. Robust and resilient global supply chains are required to support a 1.5°C pathway and maximise local value creation. Policy makers should work with the private sector to identify production gaps and supply chain weaknesses on a national and regional basis and generate strategies to reinforce supply chain security.
3. At the same time, building a skilled energy transition workforce requires measures to both expand the talent pipeline and enhance the quality of education and training provisions. The curricula at higher education and vocational training institutions must reflect the skills and competences required by the transition. Collaboration between government agencies on workforce development, industry, organised labour, and educational institutions is needed for more co-ordinated skill-matching efforts. Moreover, it is vital to consider how a just transition can respond to potential labour displacement in the existing energy sector workforce and re-skill or upskill appropriately, and to address the challenges workers face in this context, including access to suitable and affordable training programmes and re-certification. Targeted measures to train, recruit and retain women and other underrepresented or marginalised groups (including older workers, ethnic and religious minorities, people with disabilities and those on a low income) are needed to ensure the dividends of the transition are enjoyed by all. This inclusion can be implemented through targeted scholarships, government-funded training opportunities, and industry apprenticeship and mentorship schemes.

Objectives

4. The session sets out to discuss the policies and measures needed to accelerate the energy transition, expand its reach and ensure inclusivity, and maximise local value creation. These include deployment policies such as competitive procurement, or auctions, and how they can be designed to address some of the supply chain challenges faced in recent years; enabling policies such as renewable energy targets that signal long-term political commitment that is required to attract investment in all areas of the value chains; as well as measures to strengthen supply chains and develop the skills needed in order to support the timely deployment of energy transition solutions and maximise local value creation.
5. Given the growing concern that the acceleration of the transition will be impeded by skills shortages in key areas, the session will include a focus on the actions needed to scale up education and training provisions. This includes the upskilling and reskilling of current workers as well as preparing the fast-growing youth demographic to join the renewable energy workforce.

Guiding Questions

- What best practice examples can be provided of initiatives that are strengthening local value chains and that can inspire and inform similar initiatives?
- How can deployment policies such as auctions be designed in a way to address risks and challenges related to supply chain disruptions causing delays and price increases? And how can a focus on cost best be reconciled with the objective of broadly-shared benefits?
- What are the main concerns of governments and employers regarding skills shortages? What type of education and skills policies and measures are needed to accelerate education and skill building for the energy transition?
- How should education and training institutions adapt and transform to address skills gaps and prepare future generations to be part of a sustainable energy future?

Associated Publications

- [World Energy Transitions Outlook](#) (2023)
- [Tripling renewable power and Doubling energy efficiency by 2030: Crucial steps towards 1.5°C](#) (2023)
- [Renewable Energy and Jobs: Annual Review 2023](#)
- Series on Renewable Energy Benefits: Leveraging Local Capacity
- Series on Renewable Energy a Gender Perspective
- [Renewable energy benefits: Leveraging local capacity for small-scale hydropower](#) (2023)
- [Renewable Energy Benefits: Leveraging Local Capacity for Solar Water Heaters](#) (2021)
- [Renewable Energy Benefits: Leveraging local capacity for offshore wind](#) (2018)
- [Renewable Energy Benefits: Leveraging Local Capacity for Solar PV](#) (2017)
- [Renewable Energy Benefits: Leveraging Local Capacity for Onshore Wind](#) (2017)
- [Renewable Energy: A Gender Perspective](#) (2019)
- [Solar PV: A Gender Perspective](#) (2022)