Mid-term Evaluation of IKI project “Innovation Regions for a Just Energy Transition (IKI JET)” (22_I_418_Global_G_Innovation Regions for Just Transition)

Summary

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Summary

The mid-term evaluation (MTE) of the "Innovation Regions for a Just Energy Transition" (IKI JET) project provides critical insights into the progress and challenges of the initiatives under Germany's International Climate Initiative (IKI). Conducted between January and August 2025, this evaluation assesses the relevance; effectiveness; planning, steering and coherence; transformational impact and sustainability; as well as the IKI safeguards and standard indicators of the project in a formative way, with a view to potential changes in enhancing the project in the second half of its implementation period. This summary distills the key findings, evaluation methodology, and strategic recommendations, providing a concise overview for stakeholders involved in implementation and oversight of this project.

Project Description

The project addresses the heavy economic dependence on coal in specific regions within its seven partner countries. National or global plans to exit coal bring about significant economic disruption in these areas but offer environmental and health benefits. The project works to support these coal-reliant regions in transitioning toward clean development alternatives.

The project runs from April 2022 to January 2027, with funding from IKI and the European Commission, totaling nearly €24.5 million. It has three main components: a global/interregional component, and country-specific components for Indonesia and Colombia. The project uses a multilevel, multistakeholder approach, coordinated by GIZ. Consortium partners are the International Labour Organization (ILO), Wuppertal Institute (WI), Climate Action Network International (CAN I), the International Institute for Sustainable Development (IISD), and two trade union-affiliated technical assistance organizations (Solidarity Center and APHEDA), ensuring representation of and access to governments, labor, and civil society.

The project targets government bodies, utilities, businesses, civil society, trade unions, and academic institutions in seven countries overall, facing different Just Energy Transition (JET) challenges: Indonesia remains a major global coal exporter and relies heavily on coal for electricity, despite net-zero pledges. Policy implementation is weak, and coal use is still rising. Colombia, a major exporter, is making the Just Energy Transition central to its policy but faces economic sensitivities. Chile aims to retire most coal plants by 2025 but may offset climate gains with increased fossil gas. Viet Nam and Mongolia remain coal-dependent without specific phase-out plans. Thailand is in the process of closing its last remaining coal mine and the related power generation. South Africa's transition is the most advanced with respect to the JET process, but coal and fossil gas use are still rising.

The project seeks to overcome the perceived dilemma between climate, economic, and social goals through a collaborative, multi-level approach. It aims to build capacity for inclusive, technically sound JET strategies (building on i.e. the ILO Just Transition Guidelines), and for adapting international best practices to local needs. Subnational work combines institutional support for official planning with practical grassroots economic diversification and skills training. The interregional component promotes knowledge exchange and policy dialogue between national and regional stakeholders from different countries. The target group comprises administrations, labor unions and community leaders. The ultimate beneficiaries are the affected communities in the coal regions, including women and vulnerable groups. The Theory of Change assumes that by facilitating a dialogue that aligns climate policy narratives with economic and social goals, the project provides economic development and

empowerment opportunities and mitigates environmental, health, and social risks through a multi-level, collaborative approach. It enables stakeholders to plan and implement just energy transition strategies tailored to local needs, while facilitating knowledge exchange and international policy dialogue. In Indonesia and Colombia, the project supports both institutional and practical pathways, developing regional JET strategies, piloting green economic alternatives, and enhancing skills for a low-carbon economy.

There are eight key outputs: three form the interregional component (international network, policy dialogue, Knowledge Hub), four the Country Component Indonesia (regional forums, policy advice, transformational measures, national dialogues), and one the Country Component Colombia (energy communities). Progress varies, with some milestones delayed (like official meetings and stakeholder inclusion in Indonesia), but other activities like study tours, trainings, and knowledge products are in advanced stages of implementation.

Evaluation Objectives

The main objective of this MTE is to assess the status of implementation, the achievement of objectives, and the challenges faced by the IKI JET project across the following evaluation criteria: relevance; planning and steering, coherence; effectiveness; transformational impact and sustainability; adequacy of social and environmental safeguards and compliance with IKI standard indicators. The findings from the MTE inform strategic direction and operational adjustments of the IKI JET projects. For GIZ, the German ministry, the European Commission, the IKI office at Zukunft – Umwelt – Gesellschaft gGmbH (ZUG) and the consortium, the evaluation provides a comprehensive assessment of the project's success to date and offers recommendations on how to address the challenges within project implementation identified. For the Indonesian government, particularly BAPPENAS, the evaluation offers an external perspective on how well the project aligns with national strategies and priorities.

Methodology

The evaluation employed a robust, theory-based mixed-methods approach to ensure a comprehensive and nuanced understanding of the project's performance. This approach involved a combination of qualitative and quantitative methods, including document analysis, internet research, interviews, and workshops. A key aspect of the methodology was the reconstruction of the project's Theory of Change (Tos). The reconstructed ToC provides a more detailed and accurate depiction of the causal links between the project activities, outputs, and outcome, allowing for a deeper analysis of its logical coherence and effectiveness.

Evidence was gathered from a wide range of sources to validate findings, including project internal documents, interviews, and validation with general literature and internet sources. The evaluation team conducted a total of 66 interviews and focus group discussions (FGDs), with stakeholders from Indonesia during a 2-week field mission, and remote interviews in Germany as well as several other countries, including representatives from GIZ and the consortium partners, as well as political partners. These interviews provided rich qualitative data, which was supplemented by quantitative analysis drawn from project documents and reports as well as internet-based research on specific aspects.

The evaluation process was iterative, involving multiple rounds of data collection, triangulation, analysis, and validation. This approach ensured that the findings were not only evidence-based but

also reflective of the complex realities faced by the projects. The evaluation findings were discussed extensively with the project team to ensure that the conclusions and recommendations were based on correct facts.

Main Findings per Evaluation Criterion

Relevance: Overall, the high alignment with national and regional (diversification and coal exit) priorities and the global discourse on coal phase-out are outstanding strengths of this project. The project is highly relevant in regional contexts where it is clear that a coal exit will take place, either due to political decisions, or due to techno-economic factors (e.g., mine depletion). These are typically region-specific and pose significant challenges for the local decision makers. The knowledge offers of the interregional component in particular respond well to the needs of the subnational target group for guidance and connectivity. These decision makers, their national counterparts as well as labor leaders find the project extremely relevant. Connecting them to stakeholders in similar situations in other countries helps them understand that they are not the only ones facing the challenge. The Indonesia component has demonstrated that these groups can benefit very well from local capacity building measures and from access to international best practice if the project can reach them.

The core problem of coal dependence cannot be addressed by the project, but the project lays relevant foundations for a coal phase-out. The affected communities can benefit significantly from the project. This includes organized workers and trade unions who are strengthened by the project to receive a seat at the table and use tools like Collective Bargaining Agreements to ensure provisions for workers under coal exit scenarios. The project offers upskilling for workers, as well as for government agencies. It also works with communities on the diversification of their development plans and business models to diversify income sources. In Indonesia, the project is working towards institutionalizing Regional Consultation Forums to discuss and structure the JET process in a participatory manner.

Overall, evidence gathered through interviews, stakeholder workshops, and document reviews indicates that the project robustly responds to relevant global thematic policies and agreements, including the Paris Agreement, the Sustainable Development Goals, the COP26 Just Transition Declaration, and the ILO's Just Transition Guideline. Its strategic alignment with these frameworks is a noteworthy characteristic but there is room for an even better fit by taking a stronger gender-transformative approach, as a comparison of JET concepts demonstrates that gender and equity are important dimensions linking all JET concepts. The project has been designed in a gender-responsive manner in line with the IKI Gender Strategy.

Planning, Steering, and Coherence: The project features comprehensive planning with detailed operational frameworks, annual plans, and gender analyses, but has faced challenges in monitoring at the activity level. Steering is supported by established governance and coordination mechanisms, though improvements are suggested in internal communication, role clarity, and responsiveness to local operational challenges, with recent progress noted in inclusivity and collaboration. The project is implemented in a gender-responsive fashion.

Project steering demonstrates strengths in results-based management, monitoring, and gender inclusivity. However, due to the size and complexity, these are met with limits, and challenges remain in internal communication, role clarity, and responsiveness. Consortium partners are advocating for more transparency, joint activities, synchronization of activities, strategic guidance among consortium partners and more unified messaging specifically in the Indonesia component.

Each consortium partner is assigned a specific target group to work with, and specific tasks, and brings specific capacities to the table. The division of tasks does not fully reflect the consortium partner's organizational strengths (Learning Question). Specifically, the delivery of technical assistance on community level is difficult to organize for global non-governmental federations.

Effectiveness: The project logic implements closely the ILO JET principles and is still applicable. It works well in situations with amenable preconditions. Among these are a politically decided or at least generally accepted joint understanding that the regional coal economy is phasing down. Two additional preconditions for effectiveness of this specific ToC and the specific JET concept relate to the presence of CSOs and labor unions. For situations in which these three conditions are present, the project can provide targeted support to coal regions upon demand in the context of the country-specific measures and leverage cross-learning effectively. In situations where there is no consensus on the (local) end of coal and/or workers and civil society cannot be accessed, the project will not be able to gain full traction, and other approaches might be more suited. Country components in which all consortium partners participate can be extremely effective, as is demonstrated in Indonesia.

The global component enables sustainable transfer of the discussions to the respective countries for those who are participating in the project (Learning Question). The country selection is also crucial for the ability of the regional and national stakeholders to utilize the learnings and offers of the interregional component – where the preconditions apply (coal exit is clear, workers and communities can be reached by consortium members) country stakeholders can share learning experiences very well, specifically within the Communities of Practice.

Transformational Impact and Sustainability: The IKI JET project has considerable potential to contribute meaningfully towards transformational change. The project's approach, which integrates socio-economic transition, institutional capacity-building, and inclusive governance, positions it effectively to foster large-scale, systemic change within Indonesia's coal-dependent regions. The project is fully integrated into a broader theory of climate compatible transformation, as indicated by its title even if it will not lead to GHG savings. Yet, the transformation of socioeconomic systems leads to significant cobenefits. Negative impacts are not expected and so far, also not observable.

Transformational impact refers to large-scale, lasting change that extends beyond project timelines and is often not directly observable during mid-term evaluations. The IKI therefore uses "abilities" that the project works towards to assess the transformation-readiness of resulting social systems. They include the ability to manage complex systems, to facilitate, to address multiple dimensions, to shape social change, and to leverage reciprocity and justice. The project performs exceptionally well on each of these aspects. The transformational approach of the project is very broad and reflected in several of the project activities. The project does not work in a gender-transformative fashion.

The project also works towards some structural and sustained changes on the ground, including the institutionalized Regional Consultation Forum's (RCFs) in Indonesia. Several of the structures installed by the project, such as the JET Knowledge Hub and the thematic and geographic communities of practice, will be able to provide important services on JET in the future, but their sustainability will most likely depend on access to further funding.

Safeguards: Safeguards were extensively discussed in project design. No specific mitigation measures were planned, but mitigation was generally built into the project activities. This approach is also reflected in the reporting process. Safeguard practices should be reviewed for consistency and

completeness in light of e.g., bioenergy projects that have not been included in the original risk assessment.

IKI Standard Indicators: The IKI Standard Indicators do not reflect the gist of the project. The project will not lead to greenhouse gas reductions, or related policies. Instead, it will help prepare for and mitigate the consequences of socio-economic challenges from coal exits, but not create policies that limit climate emissions, which means that the associated Standard Indicator cannot measure the project's contribution. Similarly, the capacity building indicator is formulated with respect to people's capacity to address climate change, and thus, strictly speaking only partly captures capacity building measures of this project. Some methodological challenges with the measurement protocols also persist.

Main Recommendations

The evaluation provides recommendations to GIZ, the consortium, and the donors. Operationally in the next phase, the project should start a Community of Practice on Gender and Just Energy Transition and revise the Standard Indicator reporting. GIZ should improve the internal communication in the consortium so that the partners are better informed about the individual work packages and progress. Enhanced monitoring, including more reporting on the activity level, is recommended as one avenue to this.

For the project to leverage its full potential, it should strive to implement the multi-stakeholder structure in as many situations as possible. Specifically in the country's activities, the consortium approach should be fully implemented, not only because it conforms to the ILO JET concept but also because it provides better access to a larger number of relevant stakeholders. In addition, the consortium partners should collaborate more intensely and implement jointly rather than alongside each other.

The evaluation also recommends employing a stronger push for innovation. Beyond the gamification approach which has already been tested in the project, two suggestions of the evaluation team are to develop and test new (IT) tools for online Communities of Practice and Knowledge Hub. For the next phase, the Consortium partners should develop and propose some gender-transformative approaches, as all JET concepts emphasize the relevance of gender and the IKI Gender Strategy is favoring gender-transformative approaches. These are often difficult to conceive and implement but there might be a window of opportunity in this project.

The Consortium should develop in close collaboration with ZUG a differentiated exit strategy for each Output of this project. It is highly recommended to sustain the Knowledge Hub and the Communities of Practice. Country components with a multistakeholder approach should be continued in places with amenable preconditions (coal exit is consensus, workers can organize, communities are accessible).

In a future project, the consortium should include private sector representation more systematically: The diversification of business models and revenue streams is also an option for coal companies. Including the private sector seems to be the next level in the conversation.