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National Policy Analysis of Just Energy and Climate Transition in the Hashemite Kingdom of Jordan



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The concept of a “Just Energy and Climate Transition” in Jordan represents a comprehensive strategic response that intersects environmental sustainability with the requirements of economic modernization and social justice. In the Jordanian context, this transition is not limited to carbon emission reductions; it serves as a central engine for the Economic Modernization Vision–2033, directly linking climate action to growth, investment, and job creation. As one of the world’s most water-scarce and energy-import-dependent countries, Jordan views the green transition as a means to enhance national security and resource independence, provided it ensures the protection of vulnerable groups and a fair distribution of developmental gains across all governorates.

Strategic Framework and National Climate Ambition

The Updated Nationally Determined Contributions (NDC) 3.0 represent a paradigm shift in Jordan’s approach to climate work, moving from a narrow sectoral focus to an integrated framework combining mitigation, adaptation, and resilience. Jordan has significantly raised its climate ambition, increasing its greenhouse gas (GHG) reduction target from 14% in 2016 to 31% by 2030 compared to the business-as-usual scenario. This commitment is divided into a 5% unconditional target funded by domestic resources and a 26% conditional target dependent on international financial support.

Source	Target Value / Achievement	Climate Ambition Indicator
	31%	Total GHG Reduction Target(2030)
	5%	Unconditional Commitment) Domestic)
	26%	Conditional Commitment) International)
	USD 7.5 Billion	Total Estimated Cost of Transition
	2050	Net-Zero Trajectory Timeline

Integrating the 2050 Net-Zero trajectory into national sectoral strategies makes Jordan one of the first countries in the region to embed a long-term zero-carbon vision into its national planning. This transformation is viewed not merely as a financial burden but as an opportunity to modernize the national economy and improve industrial competitiveness through energy efficiency and the adoption of international green standards.

Energy Sector Transformation: Integration and Diversification

Jordan’s energy sector has achieved a leading success story in the region, with the share of renewable energy in electricity generation leaping from 12% in 2020 to 28.5% in 2024, equivalent to approximately 5 GW of renewable capacity. However, a “Just Transition” now requires moving beyond rapid expansion toward the complex task of system integration and grid stability.

The next phase of the transition strategy rests on several technical and structural pillars:

- 1. Energy Storage** :Investing in utility-scale storage solutions ,including battery systems and pumped hydro facilities ,to enable renewable penetration beyond.35%
- 2. Green Hydrogen:** Developing a green hydrogen economy as a strategic tool for domestic decarbonization and a potential export commodity ,particularly under the EU-Jordan Green Deal Partnership.
- 3. Energy Efficiency** :Enhancing efficiency in the industrial and building sectors ,with the Jordan Renewable Energy and Energy Efficiency Fund) JREEEF (aiming for a 9% improvement in consumption efficiency by.2030

Water Security as a Pillar of Climate Resilience

In Jordan ,climate transition is inextricably linked to the existential challenge of water. The Kingdom is one of the world's most water-scarce nations ,with per capita renewable water resources below 61 cubic meters annually—well below the absolute water scarcity threshold of 500 cubic meters .Consequently, the National Carrier Project) Aqaba-Amman Water Desalination and Conveyance Project (is the cornerstone of climate adaptation in Jordan.

This massive project ,with an estimated cost of approximately USD 6 billion ,aims to desalinate 300million cubic meters of Red Sea water annually and transport it 438 kilometers to Amman and other governorates .The” justice “of

this transition is highlighted by the integration of renewable energy ;a 281 MW solar plant will cover roughly 27% of the project's energy needs ,reducing both the carbon footprint and operational costs .Concessional financing ,including a historic USD 1.2 billion contribution from the Green Climate Fund ,is vital to maintaining the affordability of water for households and farmers.

Impact on Workers: Ensuring a Just Transition for the Workforce

A” Just Transition “in the labor market is essential to mitigate negative impacts on workers in traditional sectors while maximizing decent work opportunities in the green economy. The Jordanian government has set an ambitious goal for 10% of total jobs in the Kingdom to be ”green jobs “by2030

Worker Protection and Skills Development Initiatives:

- **JustJordan Project** :Launched by the International Labour Organization) ILO–2024) (,2025this project integrates” decent work“ principles into national climate policies) NDCs.(It supports SMEs in the garment and food manufacturing sectors to adopt circular economy practices and improve resource efficiency.
- **JETJO Program:** The” Promoting Just Energy Transition for an Inclusive Economy in Jordan “program (2025–2024) enhances policy coherence between energy and labor sectors, focusing on agriculture ,food manufacturing, and energy infrastructure.
- **Technical and Vocational Training (TVET):** Green skills have been integrated into the

National TVET Strategy .2027–2023 This includes specialized programs in solar system installation ,electric vehicle maintenance ,and climate-smart agriculture.

● NEPCO Training :The National Electric Power Company) NEPCO ,(through its Electrical Training Center ,provides” green skills “training for technicians to handle smart grids and renewable sources.

Indicators Training and Market Labor	Value / Achievement	Source
Rate Unemployment Youth	51% - 46%	
Participation Force Labor Female	14% ~	
(2033) Employment Female for Target	28%	
Beneficiaries Training Inclusion EBRD	(Women 60%) 2,493	
Programs Bank World via Jobs Formal	(Women 52%) 48,000	

Social Justice and Protection of Vulnerable Groups

Just transition in Jordan means ensuring that low-income and middle-class families do not bear the structural costs of energy and water sector shifts .The government is moving from universal subsidies to targeted cash transfers through a sophisticated social safety net led by the National Aid Fund) NAF.(

The NAF budget was doubled to JOD240 million in ,2023 covering 220,000 households—approximately 62% of the poor in Jordan .A key justice-focused mechanism is the” Solar to the Poor “project ,which installs free solar systems for NAF beneficiaries to reduce their electricity bills .As of the end of 7,732 ,2022 households had benefited from this initiative ,with ongoing expansion planned for” poverty pockets.“

Green Finance Structuring and Central Bank Strategy

Jordan is a regional leader in greening the financial sector through the launch of the Green Finance Strategy (2028–2023) by the Central

Bank of Jordan) CBJ .(The strategy focuses on two pillars :managing climate-related financial risks and mobilizing green finance for sustainable investments.

Key mechanisms include:

- Green Loan Framework :Guidelines to stimulate green mortgages ,green credit cards, and sustainable trade finance.
- De-risking and Guarantees :Developing a green credit guarantee program with the Jordan Loan Guarantee Corporation and utilizing blended finance to attract private investment.
- Results-Based Climate Finance) RBCF:(Providing incentives to commercial banks that increase the share of green loans in their portfolios.

Governance and Transparency: The National MRV System

Transparency is critical for attracting international finance .Jordan established a unique national Monitoring ,Reporting ,and Verification) MRV (system—a centralized repository for climate mitigation data managed

by the Ministry of Environment ,involving over20 government agencies .This system ensures data accuracy for climate finance and future carbon market instruments .Additionally ,gender-sensitive approaches are embedded in climate governance ,including programs to train female researchers and scientists in climate action.

Challenges and Innovative Financing Solutions

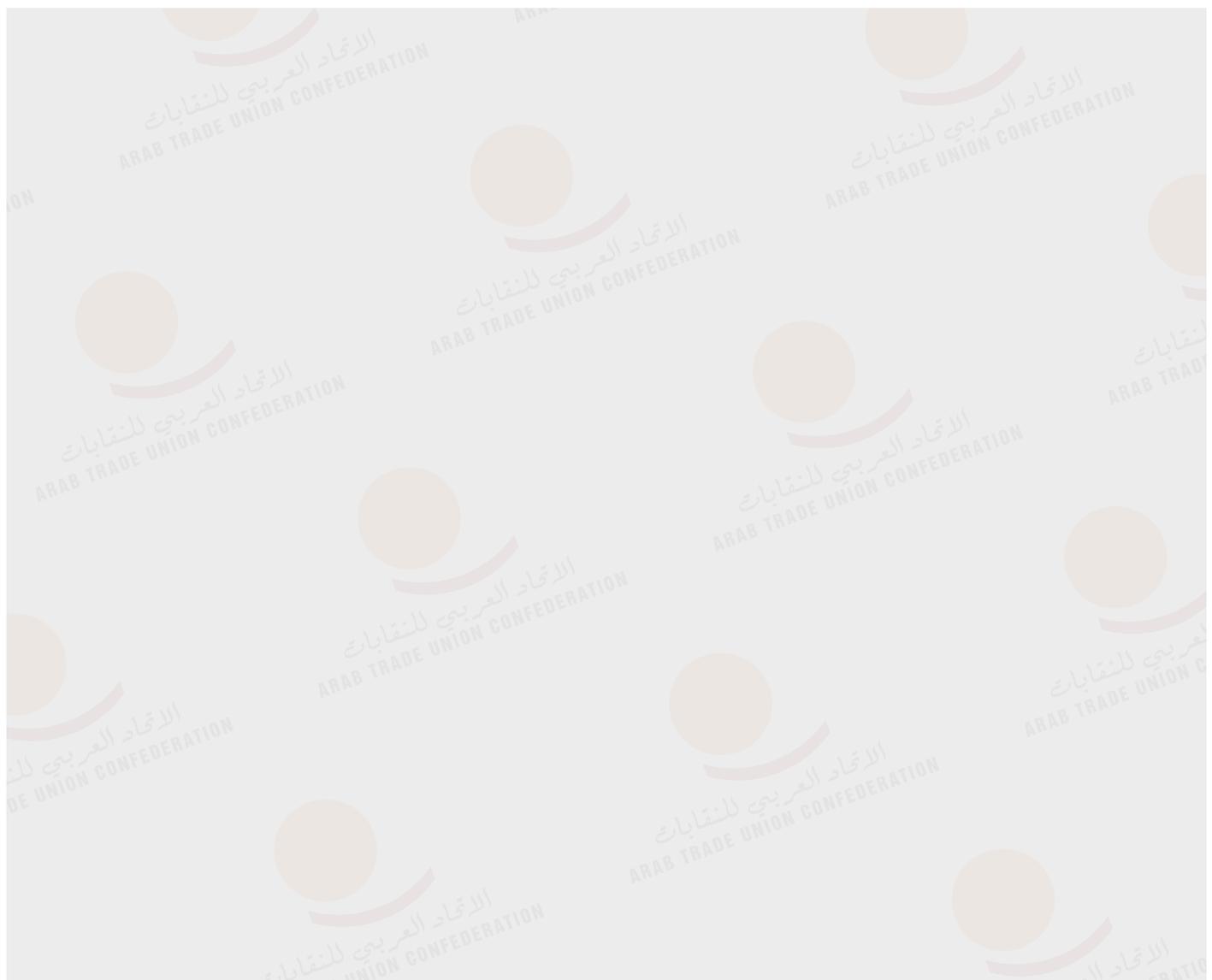
Jordan faces a significant financing gap, estimated at JOD 1.095 billion annually ,while burdened by a high public debt-to-GDP ratio of approximately .90% In response ,the Kingdom is exploring innovative tools such as” Debt-for-Nature and Climate Swaps .“Jordan has a successful history in this area ,having previously addressed USD 496 million of debt through swap mechanisms .Such tools can provide liquidity for environmental projects and green jobs without increasing the sovereign debt burden.

Conclusions

The” Just Energy and Climate Transition “in Jordan is not a luxury ;it is a developmental necessity driven by resource scarcity .Success hinges on integrating environmental ambition with social protection and worker empowerment. Future steps must focus on accelerating system integration via storage and green hydrogen, enhancing community resilience through distributed solar projects ,and deepening green financial inclusion for SMEs ,women ,and youth across all governorates .Jordan stands as a regional model for resource-constrained nations aiming to transform climate challenges into inclusive growth opportunities while maintaining social stability.

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