



PeaceNexus and International Growth Centre
CALL FOR EXPRESSIONS OF INTEREST

Just Transition: Understanding the impact of renewable energy projects in fragile states on peace and conflict dynamics, to mitigate social risks and maximise their potential to contribute to social cohesion and economic development

Terms of Reference

Starting date: November/December 2022
Application deadline: 31 October 2022
Location: Home-based
Language requirements: English
Duration of assignment: up to 3 months (final report expected by March 2023)

About PeaceNexus

PeaceNexus is a Swiss private foundation that strengthens the effectiveness of organisations that play a role in building peace. PeaceNexus aims to improve companies' contributions to social cohesion in fragile states by offering conflict-sensitivity expertise and supporting business community dispute resolution processes.

In 2018, we partnered with Swiss asset management firm de Pury Pictet Turrettini to launch the CADMOS Peace Investment Fund. Since the Fund's launch, we have held over 100 engagement meetings with companies and entered into multiple partnerships to build their capacities on our engagement topics, which include:

- Conflict sensitive business practices
- Human rights, supply chain and customer due diligence
- Stakeholder engagement
- Product stewardship
- Anti-bribery and anti-corruption practices
- Reviews of community investments

About the State Fragility initiative

The State Fragility initiative is a policy initiative of the International Growth Centre (IGC). It works on issues of state fragility and with governments of fragile countries undergoing pivotal moments. We aim to bring together robust evidence and practical insight to catalyse new thinking, develop more effective approaches to addressing state fragility, and to support collaborative efforts to take emerging consensus into practice.

The State Fragility initiative has a strong focus on both strengthening private sector development in fragile contexts and expanding renewable energy access in these settings, to enable economic growth, resilience, and greater stability in challenging environments. Among other things, we co-host (with BII, IFC, and AfDB) the annual DFI Fragility Forum, which brings together the senior leadership of ~30 development finance institutions to explore ways to scale up investments and improve operations in fragile contexts.

Background – Renewable energy in fragile and conflict affected situations

- Climate change disproportionately effects fragile communities

Climate change disproportionately affects vulnerable communities with limited capacities to adapt to its impacts and build resilience. It further destabilises fragile contexts by increasing pressure on weak governance structures, limiting livelihood opportunities, escalating tensions over resources, increasing occurrence of natural disasters, and exacerbating inequality.

- The energy transition is an opportunity for improved and inclusive energy access

Transitioning energy sectors from fossil fuel dependency to renewable sources is crucial to decarbonising the world economy and tackling climate change. The energy transition is underway, with the number of new [renewable energy installations outpacing the number of new fossil fuel installations](#) globally. However, to arrive at net zero and achieve universal energy access by 2050, the expansion of renewables will need to grow exponentially and expand to include fragile settings, which boast great potential for clean energy expansion yet experience low levels of energy access. The energy transition presents new opportunities for more inclusive energy access, investment, community empowerment, and economic development. This includes communities that have traditionally been excluded by the energy sector. There's a significant overlap between fragility and energy access gaps: over 85% of people living without electricity live in fragile and conflict-affected countries. Increasing energy access globally cannot be done without significantly scaling up energy investments in fragile contexts.

- Renewable energy has particularly high potential in fragile countries

Meeting the needs of fragile contexts for sustainable sources of modern energy – for consumption and production – will be essential to improving social welfare, supporting economic development, and enhancing stability in these settings. However, the realities of these challenging contexts require decentralised energy systems that can distribute risk, diversify supply, and be incrementally scalable. Renewable energy solutions align well with these systems and, with the costs of renewable energy solutions declining sharply over the past decade, they are also an increasingly cost-effective option for energy generation in fragile settings.

- Poor project design and implementation of renewable energy projects could fuel conflict

However, project design and implementation that is not sufficiently conflict sensitive could risk fuelling social instability, violating human rights, and exacerbating fragility and

inequality through, e.g., uneven distribution of benefits among different groups/geographies. It has also been suggested that renewable energy development is replicating the social and environmental violence that has characterized the fossil fuel sector, as some large-scale renewable energy projects have been linked to [human rights violations](#), [exploitation](#), and [environmental degradation](#). It can perpetuate cycles of violence in regions with weak institutions, fragile political systems, and pre-existing conflicts, and alter conflict dynamics by [disrupting fuel supply chains](#) closely associated with local war economies. Even in developed economies, renewable energy projects can destabilise local social dynamics and drive conflicts over [land usage](#), [displacement](#), the [violation of indigenous rights](#), [loss of livelihoods](#) and [increasing vulnerability](#), resulting in [community grievances](#), rising resistance to renewable energy projects and eroding the sector's social licence to operate.

- ***Failing to consider impact on conflict dynamics slows expansion of energy access***

Renewable energy projects require a social license to operate. Opposition to renewable energy projects, driven in large part by (real or perceived) adverse impact on local communities and the environment, and often resulting from limited stakeholder consultation by authorities and project developers, have repeatedly resulted in project delays or rejections, slowing down electrification in developing countries and the global energy transition more broadly.

- ***Managing conflicts and contributing to social cohesion***

Renewables are key to overcoming energy poverty and transforming economies. However, they must provide the needed energy services without damaging human health or ecosystems. Understanding the local context, pre-existing conflict dynamics, and the potential effects of renewable energy projects on conflict and peace dynamics has the potential to significantly improve project design, implementation, and outcomes of these projects. Achieving this would require, among other things, undertaking well-informed fragility assessments, institutionalizing meaningful stakeholder engagement and dispute resolution processes, and flexibility to make adjustments needed to mitigate conflict and promote peace throughout the project lifecycle.

Consultancy objective

This study will explore the impact of renewable energy projects, including but not limited to solar, wind, hydro and biofuel, on conflict and peace dynamics in fragile countries. It aims to raise awareness on these issues among investors and implementing partners and share good practice examples to inform their approaches to project due diligence, design, and implementation to enhance their conflict management capabilities (conflict sensitivity approaches, community engagement, and dispute resolution processes).

Guiding questions include:

- What can we learn from promising examples of conflict-sensitive practices of investors and implementing partners?

- To what extent and under what circumstances can renewable energy projects contribute to peace/stability and state capacity enhancement in fragile settings?

Primary audience

Development finance institutions (DFIs), private (impact) investors (incl. collective investor initiatives e.g., PRI), and their recipient organisations (renewable energy project developers, utility/ energy companies and other actors involved in the design and execution of renewable energy projects in fragile and conflict-affected countries), PeaceNexus and the International Growth Centre.

Deliverables

The research should produce data and analysis for internal and external deliverables as follows:

1. External: Edited 15-page report for publication – content could include:

- Executive summary
- Analysis:
 - The peace potential of renewable energy
 - Impact of renewable energy projects on conflict dynamics and human rights
 - Common project-level challenges of operating in fragile setting
- Select number of good practice examples (4-8):
 - Good practices used by investors and project partners focussing on full project cycle (planning, impact assessment, conflict analysis, financing / due diligence, stakeholder engagement and conflict management)
- Recommendations for DFIs and renewable energy players:
 - Drawing from good practice examples: capacities (policies and practices) that should be further strengthened also related to managing conflicts with affected communities

2. Internal: Short research agenda

- This deliverable would be developed throughout the research process and identify areas with little to no current evidence or data, which might lend themselves to further study and survey work

3. Internal: (PowerPoint) Presentation for PeaceNexus

- This deliverable would contain outcomes of the research and reflections on how PeaceNexus could best respond to identified trends and gaps – content could include:
 - Initial Needs assessment:
 - Capacity building needs that were highlighted through interviews with private sector players / Assessment of appetite for support
 - Mapping, including:

- RE Companies operating in fragile states, including their business models, projects and key challenges/opportunities to their operations
- Mapping of utility scale projects proposed in fragile countries, and the ESG issues that might be holding them back
- Suggestions for PeaceNexus:
 - Contribution(s) PeaceNexus can make
 - Avenues for PeaceNexus' further engagement
 - Reflection on how best to disseminate the external report and which engagement opportunities should be capitalized on, including relevant events and initiatives the external report could feed into.

Activities

Activities will include, but are not limited to:

- Desk review of existing evidence base
- Analysis of relevant data, if available
- 15-20 key informant interviews, in collaboration with PN and IGC staff to collect good practice examples, with
 - Investors: (Development) Finance Institutions and Impact Funds
 - Project developers, Utility / Energy companies
 - NGO/CSOs

Management of consultancy

The above tasks and deliverables will either be contracted from one expert or a team. The internal organization and coordination of the team of consultants will be dependent on the team itself. The consultant(s) will be contracted by- and will report to the PeaceNexus Foundation and the International Growth Centre. The consultants will be provided with relevant background documents, information, and guidance that they will need for the purpose of their work.

Timing and budget

The estimated duration of the consultancy is **20-30 working days**, to be conducted in the period between November 2022 and March 2023.

Application process

To apply for assignment, the consultants should send their CV'(s), a short letter of interest (max 1 page), research methodology (max 2 pages), and budget proposal to Johannes Schreuder (johannes.schreuder@peacenexus.org), copying Sarah Logan (S.Logan1@lse.ac.uk) no later than **October 31, 2022**.

Selection criteria

- Involvement in multiple renewable energy projects in fragile states

- Network and past engagement with private sector actors and investors (DFI and private) focused on renewable energy in fragile states
- Familiarity with literature on renewable energy
- Conflict-sensitivity and peacebuilding expertise
- Report writing for a business audience