

Empowering Local Communities and Governorates for a Just Energy Transition in Oman

Oman is undertaking a remarkable and inclusive energy transition that aligns with the country's ambitious 2040 vision, net-zero target by 2050 and its overarching decarbonization roadmap. This strategy aims not only to diversify the economy and reduce greenhouse gas emissions but also to generate long-term socioeconomic benefits across all regions of the country. Recognizing the importance of balancing energy security, affordability, and environmental sustainability, Oman has pursued a fair and structured approach to energy transition—one that integrates environmental responsibility with national development and public welfare.

Oman's energy transition is integrated with its economic diversification agenda and sustainable development goals. These pillars are reflected in the country's policy frameworks and practical initiatives that promote equity, job creation, knowledge development, and environmental stewardship. Local empowerment is not treated as a peripheral objective but as a central pillar in Oman's transition. Through inclusive policies and decentralized governance, the country is building a future in which all Omanis—particularly youth and women—can participate meaningfully in shaping the energy economy.

At the highest levels of government, directives from His Majesty Sultan Haitham bin Tarik have emphasized the importance of genuine partnership among central ministries, local authorities, and the private sector. These partnerships are supported by national strategies that empower local entities to contribute to the implementation of energy transition, diversification, and development plans in a coordinated and inclusive manner. Oman's commitment to collaborative governance underpins all of its energy and economic reforms.

Over the past decade, Oman has steadily built the capacity and authority of its local governorates through a systematic and inclusive process. Local governments are now actively involved in the development and implementation of Oman's five-year national development plans, ensuring regional perspectives are embedded in national priorities. This structure has facilitated a smoother rollout of energy projects and allowed each governorate to align economic and environmental planning with its unique geographic and resource context.

Empowerment at the local level has been further solidified by establishing elected municipal councils that represent the voices of communities in local planning and policy decisions. These councils serve as institutional bridges between citizens and national agencies. In parallel, Oman has elevated the profile of governorates by enhancing their administrative capacities and granting them decisionmaking authority over project selection and implementation. This dual empowerment—financial and administrative—has equipped local institutions to respond effectively to regional needs and opportunities.

In recognition of the importance of building knowledge economies in all regions, Oman has also launched an ambitious initiative to establish state-of-the-art universities and research centers across key governorates. These institutions are designed not only to expand access to higher education but also to serve as innovation hubs that support the country's energy transition and economic diversification agendas. By nurturing a highly educated and technically skilled population, Oman is ensuring that local communities have the knowledge base to lead in clean energy and climate solutions.

The strength of Oman's model lies in its collaborative approach. Local governorates work hand in hand with central ministries and the private sector to implement energy projects that are technically sound, socially inclusive, and economically viable. The deployment of utility-scale renewable energy projects—including in Dhofar, Al Dakhiliyah, Al Wusta, and Ad Dhahirah—illustrates this partnership. These projects are developed in close coordination with regional authorities, ensuring that benefits such as job creation, training, and infrastructure improvements flow directly to the local population.

Oman's green hydrogen roadmap and carbon capture, utilization, and storage (CCUS) strategy similarly reflect the alignment of national planning with local implementation. Industrial zones and renewable resource sites are identified through consultations with local governments, whose input helps optimize project design and maximize community benefits. Energy efficiency programs targeting public buildings, industrial facilities, and schools have also been implemented in partnership with governorates, furthering climate goals while delivering operational cost savings and local employment.

At the core of this inclusive strategy is Oman's In-Country Value (ICV) program, which has become a hallmark of the country's economic diversification and job creation efforts. The ICV framework ensures that major energy and infrastructure projects deliver lasting benefits to local communities by prioritizing the hiring of Omani nationals, procuring goods and services from local businesses, and supporting domestic manufacturing. This

localized value creation has enabled Oman to reduce import dependency while nurturing homegrown industries.

A standout success within this strategy is Oman's Super Local Community Contractors Program. Originally designed to enhance service delivery in the oil and gas sector, the program has since evolved into a national model for empowering small and medium-sized enterprises. It has facilitated the emergence of local companies that provide essential services across energy, industrial, and public infrastructure sectors. These firms have become engines of employment and economic activity in their respective regions and have contributed significantly to national energy projects. Together, the ICV and local contractor strategies have won recognition at both national and international levels.

Oman's commitment to social justice is evident in its efforts to ensure that the energy transition benefits all segments of society. The contributions of Omani women's associations are increasingly visible in sustainability initiatives, educational outreach, and community engagement around clean energy. Additionally, the National Youth Center plays a pivotal role in equipping young Omanis with the skills and tools to innovate in energy, technology, and environmental fields. These institutions are vital to fostering a generation of leaders who will sustain Oman's low-carbon future.

By placing people and regions at the center of its energy transition, Oman is not only addressing the technical challenges of decarbonization but also building a more cohesive and just society. This multidimensional approach is closely aligned with the international principles of a just transition, as emphasized during the July 2025 workshop organized by the Carnegie Endowment and the United Nations Economic and Social Commission for Western Asia in Casablanca. That workshop called on governments to strengthen municipal capacities, promote equity-centered planning, and ensure that local communities are empowered to drive sustainability efforts. Oman's experience is a powerful example of what that vision looks like in practice.

The country's model is distinguished by its ability to translate high-level directives into community-based outcomes, integrating national vision with grassroots implementation. Oman's structured empowerment of local governorates, its partnerships with the private sector, and its investment in human capital represent a comprehensive and inclusive strategy for delivering energy transition in a way that is both effective and fair. As such, Oman offers a valuable example for other nations seeking to achieve net-zero ambitions while ensuring that prosperity and opportunity are shared by all.

