

Empowering Communities for Oman's Just Energy Transition

Abstract

Oman's energy transition represents a strategic pathway to achieve its Vision 2040 goals and its net zero target by 2050. This paper highlights how local communities and governorates are empowered to play a central role in shaping the transition. It outlines the policy measures and enabling frameworks that have already been established to ensure equity and opportunity, while also identifying areas that could be further strengthened to build a more comprehensive and inclusive approach. By integrating ambitious national targets for green hydrogen production, renewable energy capacity, energy efficiency improvements, and carbon capture, utilization and storage (CCUS), the paper demonstrates how Oman can achieve a just and regionally inclusive energy transition while sustaining economic diversification and social equity.

1. Introduction

Oman is undertaking a remarkable and inclusive energy transition that aligns with the country's ambitious Vision 2040, its 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.

This transition is firmly integrated with Oman's economic diversification agenda and sustainable development goals. Local empowerment is not treated as a peripheral objective but as a central pillar in Oman's transition. Through inclusive policies, decentralized governance, and coordinated action between central and local institutions, Oman is ensuring that its people and regions remain at the heart of the transition. The following sections first highlight the enabling measures that form the foundation of Oman's approach, before turning to the opportunities for further strengthening that can accelerate progress.

2. Strengths and Enabling Measures

Oman has already established a strong set of foundations that place people and regions at the center of its energy transition. These measures demonstrate the country's commitment to inclusive governance, the empowerment of local communities, and the creation of an enabling environment for sustainable growth. Four pillars in particular stand out as the basis for this inclusive approach.

2.1 Inclusive Governance and Decentralized Empowerment

At the highest levels of government, directives from His Majesty Sultan Haitham bin Tarik emphasize genuine partnership among central ministries, local authorities, and the private sector. Over the past decade, Oman has steadily built the capacity and authority of its local governorates through a systematic and inclusive process. Governorates are actively involved in five-year national development plans, aligning regional perspectives with national priorities. The establishment of elected shura and municipal councils, alongside the State Council of appointed experts, further ensures that local voices are represented in policy and planning processes. This collaborative model has facilitated smoother rollout of energy projects and allowed each governorate to align economic and environmental planning with its unique geographic context.

2.2 Human Capital, Education, and Social Inclusion

Oman has launched ambitious initiatives to establish universities and research centers across key governorates, ensuring that communities have access to higher education and technical expertise. These institutions also serve as hubs for innovation in renewable energy, green hydrogen, CCUS, and energy efficiency. Furthermore, a national initiative to train and develop young Omanis in emerging industries plays a pivotal role in preparing a skilled workforce for new energy opportunities. At the same time, Oman's commitment to social inclusion is reflected in the growing role of women's associations and the National Youth Center in sustainability initiatives. These platforms prepare young Omanis and women to become leaders in technology, energy, and climate solutions, ensuring that the transition is equitable and future-oriented.

2.3 Local Economic Empowerment and SMEs

Through its In-Country Value (ICV) program, Oman ensures that energy and infrastructure projects generate lasting benefits for communities. The program prioritizes Omani employment, local procurement, and domestic manufacturing. The Super Local Community Contractors initiative has become a national model, empowering SMEs to provide essential services across energy, industrial, and infrastructure projects. These initiatives reduce import dependency, foster job creation, and strengthen Oman's domestic industries, embedding the transition within the local economy. Together, they create long-term opportunities for small enterprises to expand into renewable energy and clean technology services.

2.4 Innovation and Regional Development Pathways

Utility-scale renewable energy projects in Dhofar, Al Dakhiliyah, Al Wusta, and Ad Dhahirah demonstrate effective collaboration between central ministries, local authorities, and private investors. Similarly, Oman's green hydrogen roadmap, energy efficiency strategy, and CCUS strategy have been designed through close consultation with regional stakeholders, ensuring projects are optimized for local conditions. These measures reflect

a deliberate effort to link national strategies with regional opportunities, thereby maximizing socioeconomic and environmental benefits.

3. Opportunities for Further Strengthening

Building on these solid foundations, Oman has the opportunity to deepen and expand its approach to local empowerment and just energy transition. The following areas represent avenues for further strengthening that will ensure the country's transition remains comprehensive, resilient, and equitable.

3.1 Scaling Finance and Investment Partnerships

To accelerate the energy transition, Oman can expand financial support mechanisms such as green sukuk, sovereign wealth funds, concessional finance, and partnerships with multilateral development banks. Blended finance models and revenues from Article 6 carbon market cooperation offer new opportunities to mobilize resources at scale. Strengthening financial access at the governorate level will help accelerate project implementation and attract private capital.

3.2 Institutional Capacity and Human Resources

Governorates can be further empowered through targeted capacity building in energy transition initiatives, enabling rapid project deployment and more efficient implementation. Recruiting specialized human resources—such as engineers, energy efficiency experts, and other industrial professionals—will enable governorates to lead in implementing renewable energy, hydrogen, and CCUS projects. Partnerships with universities and international organizations can support long-term skills development and knowledge transfer, ensuring a steady pipeline of expertise across regions.

3.3 Flexible Investment Models and Regulatory Facilitation

Introducing flexible public-private partnership models, long-term offtake contracts, and regulatory sandboxes will enhance Oman's ability to attract private investment. Streamlined permitting and approval processes, combined with transparent oversight, can foster innovation while accelerating project delivery. These measures will help unlock Oman's ambitious green hydrogen production targets, renewable energy share, and energy efficiency improvements.

3.4 Public Engagement and Regional Pathways

Expanding structured public engagement mechanisms—including community dialogues, awareness campaigns, and participatory planning—will ensure broader ownership of the energy transition. SMEs can be supported with dedicated financing windows, incubation programs, and simplified access to tenders. At the same time, regionally tailored pathways should be advanced, leveraging Dhofar's wind and hydrogen potential, Sohar's industrial decarbonization opportunities, Muscat's role as a financial hub, and Al Wusta's solar and

CCUS resources. A regionally tailored transition ensures that benefits are equitably distributed while contributing to national goals.

Conclusion

Oman's energy transition model is grounded in inclusivity, decentralization, and innovation. Its policy frameworks and initiatives already empower local communities, build human capital, and create economic opportunities through SMEs and regional development. By strengthening financial access, institutional capacity, investment flexibility, and public engagement, Oman can further accelerate its transition. Linking these measures with national strategies on green hydrogen, renewable energy, energy efficiency, and CCUS ensures that Oman's pathway to net zero by 2050 is not only technically sound and economically viable but also socially equitable and regionally inclusive. This comprehensive approach positions Oman as a model for just and locally empowered energy transitions in the wider region.