

The Open Gov Guide

2024

Open
Government
Partnership



Climate and Environment



The Escazú Agreement (adopted in Escazú, Costa Rica) affirms environmental democracy principles and practices as necessary to protect both the environment and human rights defenders. Pictured: Maricela Fernandez, an indigenous community leader in Costa Rica who works to promote gender equality and the protection of the environment.

Energy Transition

Ensuring universal access to sustainable, dependable, and affordable energy is critical to every aspect of prosperity. Increasing public oversight and transparency in the energy sector can help to ensure a fairer green transition and improve human health while also ending contributions to corruption and authoritarianism.

This chapter of the Open Gov Guide outlines a few key areas of the transition to clean energy that will benefit from an open government approach. It is part of a broader set of reforms, including [environmental democracy](#), [open climate data](#), and [climate finance](#), each outlined in their respective chapter.

Open Gov Challenge Climate and Environment

With OGP's [2023-2028 Strategy](#), OGP members are set to work toward a number of aspirational thematic reforms through the [Open Gov Challenge](#). This section of the *Open Gov Guide* addresses Climate and Environment.

Challenge prompt: Use open government to strengthen implementation of strategies or agreements on climate and environment.

Actions and reforms could include:

- Implementing provisions in agreements such as the Escazú Agreement, Aarhus Convention, or Paris Agreement.
- Implementing a climate and environment roadmap or strategy, strengthened through open government approaches.
- Ensuring public oversight and transparency for climate finance and greening existing fiscal and planning processes.

Key Terms

- **Community Benefits Agreements (CBAs):** [Community Benefits Agreements](#) are legally binding contracts between developers and host municipalities and/or local community groups that can serve to mitigate local impacts of large infrastructure projects and other types of development. Typically, the host community will receive a combination of monetary benefits and non-monetary benefits, while the developer will receive increased community support and increased certainty in the approval process.
- **Fossil fuels:** Fossil fuels—coal, oil, and gas—are a [major contributor](#) to global warming, accounting for over 75 percent of global greenhouse gas emissions and nearly 90 percent of all carbon dioxide emissions. At the UNFCCC 28th Conference of the Parties in 2023, all 198 UN member states agreed to [move away](#) from fossil fuels. Open government can contribute to ensuring that the move from fossil fuels is fast, just, and efficient.
- **Fossil fuel subsidies:** In this chapter, “[fossil fuel subsidies](#)” refer to the direct funding and tax expenditures to fossil fuel industry actors, though subsidies also exist for fuel consumers. They include direct funding, tax breaks, loans, loan guarantees, price controls, below-market land and water leases, and research and development funding. The International Monetary Fund (IMF) estimates global fossil fuel subsidies at over seven trillion US dollars annually. These subsidies play a role in entrenching fossil fuel use because consumers do not pay for the true cost of fossil fuels, which makes phasing them out more politically difficult.
- **Power purchase agreement (PPA):** A power purchase agreement is a contract that contains key provisions such as price, payment stipulations, and obligations by the energy buyer (known as an “[oftaker utility](#)”) and/or host government. Governments, including local governments and utility commissions, regularly purchase energy production, transmission, and distribution. Unfortunately, the terms of such agreements are often negotiated in secret. According to the [Center for Global Development](#), “this opacity has created risks and, in a growing number of cases, contributed to costly and damaging outcomes, such as overpayment, overcapacity, large debts, and grid instability.”
- **Supply chain transparency:** Supply chain transparency requires visibility into and disclosure of data from all links in the production of a product. Supply chain transparency [requirements](#) may apply to companies as well as the governments that purchase products. Data reported on may range from human slavery and trafficking to labor standards, environmental practices, and corruption.

The Evidence

Given how work on many of these issues is new, open government approaches have a limited evidence base. The consequences of secrecy in the energy sector, however, are clear.

- In Ghana, secret power purchase agreements [are associated](#) with growing government debt, high energy prices, and poor service provision. To address this, the country has [published](#) most of its PPAs to renegotiate its overproducing, underdelivering electricity sector and [committed](#) to amending the Public Utilities Regulatory Commission Act to promote transparency.
- In [numerous countries](#), the removal of fossil fuel subsidies without widespread public support led to major energy protests and riots. This political pushback, in turn, has led to significant reversals, with [subsidies returning](#) to most countries.
- On the other hand, multi-stakeholder, multilateral approaches to energy development like [Just Energy Transition Partnerships \(JETPs\)](#) have shown some promise in supporting the transition to cleaner energy in carbon-intensive developing countries like Indonesia. To be successful, JETPs should focus on transparency in disclosing costs, benefits, risks, and progress and guarantee the safety of participants.

Reform Guidance

Recommended Reforms

The recommendations below represent reforms that national and local governments, representatives of civil society organizations, and others can consider for their action plans and the [Open Gov Challenge](#). The reforms are categorized according to OGP's principal values: transparency, civic participation, and public accountability. Reforms should be adapted to fit the domestic context, and involve and coordinate with other levels and branches of government.

Reforms across policy areas are also tagged by the estimated degree of difficulty in implementation. Though progress is often not linear, the recommendations have been categorized using these labels to give the reader a sense of how different reforms can work together to raise the ambition of open government approaches.

- **Foundational:** This tag is used for reforms that are the essential building blocks of a policy area. "Foundational" does not mean low ambition or low impact. These recommendations often establish basic legal and institutional structures.
- **Intermediate:** This tag is used for reforms that are more complex and often involve more coordination and outreach, such as with the public, between branches, agencies, and levels of government, or between countries.
- **Advanced:** This tag is used for reforms that close important loopholes to make existing work more effective and impactful. They are often about linking multiple databases or ensuring that oversight authorities can receive complaints from members of the public.

PHASING OUT FOSSIL FUELS

- Create and maintain deliberative and consensus-building processes in policy-making:** Create and maintain processes to support public participation in climate change-related policy-making, including for policies related to energy transition issues. Increasingly, evidence shows that deliberative processes work best when they have a formal interface with democratic institutions like parliaments, such as by making recommendations for laws or strategies. For more details, People Powered has [published](#) guidance on citizens’ climate assemblies.
 - The benefits of deliberative planning and consensus-building methods are covered in more depth in the “[Mainstreaming Participation](#)” chapter of this guide.
 - OGP members such as [France](#), the [United Kingdom](#), and [Scotland](#) have all carried out citizens’ climate assemblies with varying degrees of success in affecting climate policy. [Colombia](#) has also engaged in dialogues around its energy transition, and [South Africa](#)’s Presidential Climate Commission conducts extensive public engagement to inform policy development, including for the Just Transition Framework, the country’s updated Nationally Determined Contributions, and energy sector planning.

- Prioritize and support policy coherence in energy transition planning and financing through transparency:** Managing the energy transition will require policy coherence across multiple ministries and agencies, such as mining, agriculture, extractives, and infrastructure. Specifically, governments should prioritize the publication of lifecycle data (and models) for greenhouse gas contributions of major sectors, as well as national and sectoral planning documents, to allow public scrutiny and deliberation. Guidance on the transparent and collaborative production of such documents is available for [local governments](#), [ASEAN members](#), [EU members](#), and the [renewables sector](#).
 - The [United States](#) has emphasized the importance of budgeting and financial planning measures to support a just energy transition. The country’s Council on Environmental Quality also developed a [screening tool](#) to identify populations in need of assistance that are disproportionately impacted by pollution, climate change, and other issues.
 - [Colombia](#) is in the process of aligning its National Energy Plan and development plan with its climate goals.

Civic Participation

Executive

Legislature

Inclusion

Foundational

Transparency

Executive

Foundational

Collect and publish fossil fuel subsidies and other accounting data:

[Publish](#) fossil fuel subsidies data, particularly related to [taxes and revenue](#), to improve the public’s ability to scrutinize the economic and environmental impact of government support for fossil fuel industries. Such data should include amounts broken down by subsidies to producers and consumers. This [includes](#) any other expenditures outside of the public budgeting process for state-owned extractive industries. The [Extractive Industries Transparency Initiative](#) (EITI) provides an international standard for such disclosures.

Transparency

Executive

Foundational

Fossil fuel subsidies have numerous costs. Governments lose possible revenue from other, cleaner forms of development—especially when dependence on fossil fuels becomes too ingrained in the economy, infrastructure, and culture of a country. As a result, subsidies prevent consumers from realizing the true cost of fossil fuels, including their role in worsening the impact of climate change, such as negative health and environmental outcomes.

[Nigeria](#) has made strides in [reforming](#) its fossil fuel subsidies as part of its energy transition plans.

Implement open, sustainable practices for public procurement: Follow implementation [guidance](#) related to open, sustainable [public procurement](#) practices in infrastructure development to ensure open government principles are applied to the energy transition. Governments should consider adding criteria to account for environmental and public health factors as part of such rule-making. The [United States](#), for example, plans to analyze proposals for new liquified natural gas export terminals with such factors in mind.

Transparency

Executive

Intermediate

Require disclosures of non-governmental fossil fuel investments: Through financial regulatory bodies, require private sector companies and financial institutions to publish information on their investments in fossil fuels. Though these actors publish their greenhouse gas accounting information, these disclosures do not include investment information. The lack of public disclosure has [environmental consequences](#) and exposes investors and other actors to reputational and regulatory risk.

Transparency

Public Accountability

Executive

Advanced

Investments in fossil fuels fall under “[Scope 3](#)” disclosures, which include emissions from upstream operations in a company’s supply chain and from downstream activities by the company’s customers and end-use consumers.

21ST CENTURY ENERGY SUPPLY AND DISTRIBUTION

- Publish power purchase agreements:** [Publish](#) power purchase agreements in an accessible, standardized format to ensure public scrutiny over these contracts.

- Consider requiring Community Benefit Agreements (CBAs) in infrastructure and other development projects:** Consider requiring the signing of CBAs as part of the approval process for infrastructure and other development projects. At a minimum, CBAs should be public and participatory in their formulation, and such agreements should involve oversight by local democratic institutions and historically marginalized communities.
 - Columbia University’s Sabin Center [maintains](#) an open database of this evolving field of practice.

- Update the permit process to expedite clean energy infrastructure project approval:** Streamline the permits process to approve clean energy infrastructure projects and pivot away from fossil fuels. Currently, permit regulations in many countries favor existing infrastructure over new infrastructure, which means that it is easier to keep or expand fossil fuel energy generation over newer, cleaner methods such as solar, wind, hydrogen, and nuclear power. Streamlining clean infrastructure approvals also requires public participation to ensure public buy-in for these major projects. Creating accountability mechanisms as part of the permit process would allow governments to course-correct if infrastructure projects do not go as planned.
 - OGP members such as [Spain](#) have been experimenting with fast-tracking and converting existing rights of way and permits to cleaner energy sources, in line with similar progress throughout the [European Union](#). Other major polluting countries have not been as quick to reform policy processes to favor cleaner energy production and transmission, leaving this a ripe area for action.
 - OGP members have also explored the potential for upstream public participation in the permit process through [Strategic Environmental Assessments](#) (such as in [Canada](#)) or [citizens’ juries](#) (such as in the [United Kingdom](#)). Permit processes, including environmental impact assessments, have been successful for environmental protection (especially at the local level) and are one of the prime ways that people give inputs into government-sponsored projects. However, OGP members will need to do more to learn how to protect participation while accelerating the development of less harmful energy infrastructure.

Transparency

Executive

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Transparency

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ENERGY TRANSITION

- **Carry out public processes to accelerate renewable energy transmission and distribution:** Outdated energy grids are increasingly one of the main limiting factors in the rollout of renewable energy. Renewable energy generation tends to be more dispersed and has different grid requirements than fossil fuel systems. Also, there is often a mismatch between where supply and demand are concentrated. Because of the holistic need to update the whole system, countries may benefit from early strategic involvement with multiple sectors and levels of government, rather than project-by-project planning.

Transparency

Civic Participation

Executive

Legislature

Advanced

SAFEGUARDING THE CRITICAL MINERAL SUPPLY CHAIN

- **Make resource exploration and extraction contracts public:** Publish [resource contracts and licenses](#) for the exploration and exploitation of critical minerals, including in licensing and permit processes. When contracts are negotiated in secret, the risk of agreeing to bad terms or conflicts of interest increases. The public, investors, and governments need to be able to see how much each critical mineral project costs and produces, as well as who benefits from the profits. [Standards](#) for contract transparency in this area have been developed by the International Consortium on Mining and Minerals and EITI.

Transparency

Executive

Legislature

Foundational

- **Increase supply chain transparency and accountability:** Create or strengthen transparency and accountability mechanisms in supply chains and energy investment practices to address issues such as forced labor, labor protections, environmental damage, and bribery. It is also important to [ensure](#) that conflict resolution and law enforcement processes are fast, fair, and transparent.

Transparency

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- The United States has long been a site of claims under the [Alien Torts Act and the Foreign Corrupt Practices Act](#), which have been used to address forced labor and bribery in supply chains. Transparency requirements are also in place for “conflict minerals” as defined in the country’s [2010 Dodd-Frank Act](#). In addition, [new EU legislation](#) also creates liabilities along the supply chain, as well as pathways for remedy and redress for those individuals harmed by a supplier. As a successful example of how an accountability mechanism could work, a [recent suit](#) held a British company liable for upstream supply chain abuses in Zambia.

What are “critical minerals” and why do they matter?

Critical minerals (such as cobalt, lithium, copper, and nickel) are non-fuel minerals or mineral material essential to green energy supplies. The growing production of electrical and battery systems requires new resources to replace GHG-intensive fossil fuels. As a result, mining for critical minerals is expected to increase by 500 percent by 2050. The new system will have clear global environmental benefits over the existing fossil fuel-dependent economy. However, without [appropriate safeguards](#), it will be susceptible to corruption, abuse, and irreversible environmental damage—these critical minerals often have supply chains vulnerable to disruption, and many, if not most, critical minerals are in [corruption-prone areas](#). While a minority of OGP countries are critical mineral producers, all will be major critical mineral consumers over the coming decades, if they are not already. The open government reforms outlined above can support safeguards to [ensure](#) critical mineral mining and consumption do not threaten economic, environmental, and national security.

Examples of Reforms from OGP and Beyond

The following examples are commitments previously made within or beyond OGP that demonstrate elements of the recommendations made above. Though the energy transition is a new area of work, OGP governments are already taking actions to implement accounting and reporting standards that include disclosures along the supply chain for extractive industries. Looking ahead, financial regulators in OGP countries will need to take actions to ensure that regulations adhere to the International Sustainability Standards Board’s standards for [Climate-Related Disclosures](#) and that the financial sector complies with these disclosure requirements.

- **Dominican Republic Carbon Footprint Calculator for Public Procurement:** [Committed](#) to creating a Carbon Footprint Calculator to quantify the environmental impact of public procurement projects, which will be available to the public and will play a role in future contracting decisions in the medium term.
- **France Public Consultations for the Energy and Climate Strategy:** [Committed](#) to involving the public in designing the new Energy and Climate Strategy, from selecting the strategy’s main focus areas to weighing in on the bill before it is finalized.
- **Ghana Disclosing Petroleum Contracts and Power Purchase Agreements:** [Committed](#) to publishing petroleum contracts for public access to address the problem of opaque, long-term contracts with foreign buyers of petroleum. Also [published](#) most of its PPAs to renegotiate its overproducing, underdelivering electricity sector, and [committed](#) to amending the Public Utilities Regulatory Commission Act to promote transparency.

ENERGY TRANSITION

- **Mongolia Open Contracts for Extractive Industries:** [Committed](#) to disclosing agreements commonly made in the extractive industries, such as for investments, product sharing, deposit development, and community development contracts.
- **Scotland, United Kingdom Multi-Stakeholder Network on Climate Change Policy:** [Committed](#) to creating a multi-stakeholder network to increase transparency in reporting the government's actions on climate change (particularly on its net zero commitments) and to support co-creation and civic participation activities related to Scotland's climate change policies.
- **Uruguay Disclosure of Open Energy Data:** [Published](#) energy data related to demand, access, and efficiency on a centralized website, as well as a [registry](#) of energy providers, which significantly increased access to energy information in the country.
- **Yerevan, Armenia Platform to Report GHG Emissions:** [Committed](#) to developing a "green development" platform to increase transparency by reporting on the municipality's greenhouse gas emissions and actions to increase savings through energy efficiency projects, as part of broader climate-related commitments.

BEYOND OGP ACTION PLANS

- **Greece and Bulgaria Freedom of Information for PPA Transparency:** Longtime OGP actors, Access to Information Programme (AIP) Bulgaria, have been [working in Greece](#) to obtain [information on payments](#) by the Electricity System Operator (ESO EAD) to electricity producers. With Greenpeace Bulgaria, there is [similar work](#) to identify where payments for non-producing power plants have gone.
- **Nigeria Civic Monitors Trained to Use Open Contracting Data:** With the support of the Open Contracting Partnership, [trained](#) civic monitors (such as journalists and civil society organizations) on how to use open contract data to monitor 60 public procurement projects (including on energy) worth US \$120 million at the subnational level, across three states.

The Role of Local Governments

Local governments are essential to a just energy transition. They play a key role in procurement, permit processes, and energy tariffs, as well as ensuring that multi-stakeholder processes are inclusive to all impacted and concerned communities. In many cases, local governments are also the owners of energy infrastructure and are responsible for energy distribution. In locations that are sites of critical mineral extraction, transit, or processing, they may have an additional role overseeing regulation or disputes. Finally, in places that are current sites of the fossil fuel industry, they may have a particular role to play in overseeing the fair transition away from fossil fuel-based revenue models. This may mean ensuring that employment and retraining programs are administered fairly and without corruption. Developing and implementing economic diversification strategies is also important for local governments to address, especially given the need to find alternative sources of government revenue to replace revenues from fossil fuels. For example, provincial and municipal governments in [South Africa](#)'s coal-mining regions are undertaking such diversification efforts.

Local government actions also have critical implications for gender, such as by ensuring fair and dignified employment, minimizing gendered impacts, involving women in planning for future transitions, and addressing the historical exclusion of women in the energy sector. EITI has developed [numerous case studies](#) on how to ensure gender-inclusive energy transition that may be illustrative for OGP members.

Active OGP Partners

The following organizations have recently worked on this issue in the context of OGP at the national or international level. They may have additional insights on the topic. Please note that this list is not exhaustive. If you are interested in national-level initiatives, please contact research@opengovpartnership.org.

- [Extractive Industries Transparency Initiative \(EITI\)](#)
- [Natural Resource Governance Institute \(NRGI\)](#)
- [World Resources Institute \(WRI\)](#)

Benchmarking Data

The [OGP 2023-2028 Strategy](#) sets out the [Open Gov Challenge](#) and aims to provide clear benchmarks for performance through reliable data.

While benchmarks for individual countries and *Open Gov Guide* recommendations are not yet integrated, for this chapter, interested individuals may rely on the following data sets:

- The Energy for Growth Hub provides guidance and [transparency scores](#) for country performance on publishing power purchase agreements on its website, [PPA Watch](#).
- Columbia University's Sabin Center maintains an [open database](#) of Community Benefit Agreements. CBAs are used to ensure the informed consent and participation of host communities before infrastructure or development projects begin and to outline the benefits (monetary or non-monetary) that they should receive in exchange for allowing such projects to take place on their land.
- OGP commitments on extractive industries can be found on the [Data Dashboard](#).

Guidance and Standards

While the list below is not exhaustive, it aims to provide a range of recommendations, standards, and analysis to guide reform in this policy area.

- As of 2023, the **International Sustainability Standards Board (ISSB)**, a global standard-setting body, published a standard for [Climate-Related Disclosures](#). According to ISSB, the standard “requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.” These risks include physical climate risks (event-specific and chronic changes to the climate over time) and risks associated with the energy transition. For example, the [European Union](#) has enacted a rule requiring disclosures, and the [United States](#) Securities and Exchange Commission has proposed [such a rule](#).
- The **EITI Standard** includes specific disclosure requirements ([4.1](#) and [6.2](#)) related to accounting practices for extractive industries (especially state-owned ones), such as the reporting of taxes, revenues, subsidies, and other extra-budgetary support. EITI has also published resources relevant to energy, such as its work on ensuring [gender concerns](#) are mainstreamed within energy transition plans and implementation.
- [Standards](#) for contract transparency in the energy transition have been developed by the **International Consortium on Mining and Minerals** and **EITI**.

ENERGY TRANSITION

- The **Open Contracting Partnership** has developed two tools to assist governments and watchdog organizations in monitoring whether public procurement supports environmental, economic, social, and governance goals. These are the [Open Sustainable Public Procurement Toolkit](#) and the [Green Flags Guide](#).
- The **Energy for Growth Hub** provides guidance and [transparency scores](#) for country performance on publishing power purchase agreements on its website, [PPA Watch](#).
- The **Organisation for Economic Co-operation and Development** (OECD) has several [resources](#) on conducting Strategic Environmental Assessments, including [guidance](#) on good practices.
- **People Powered** [published](#) guidance on citizens' climate assemblies, which can be a key element of strategic planning for the energy transition.
- The **United States Environmental Protection Agency** published a [guide](#) on the use of citizen juries in crafting regulations.