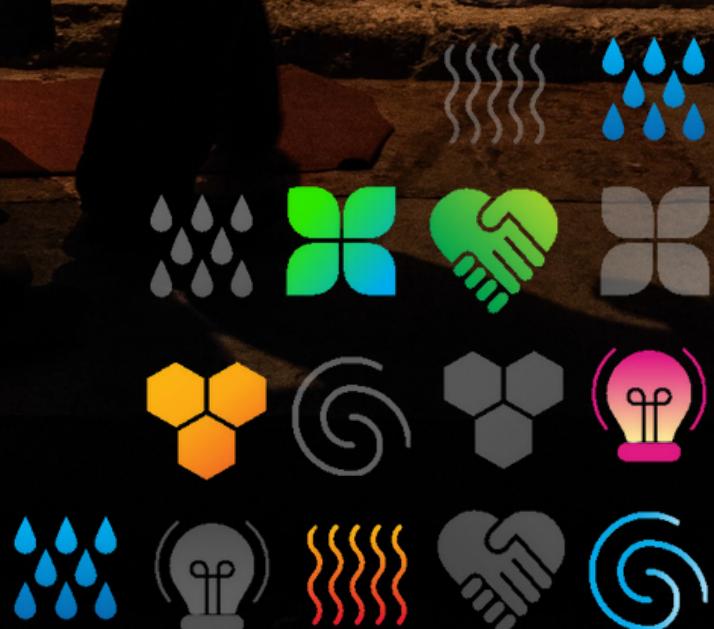


UNITED NATIONS DEVELOPMENT PROGRAMME

STRENGTHENING ENERGY GOVERNANCE SYSTEMS

AN ENERGY GOVERNANCE
FRAMEWORK FOR A JUST
ENERGY TRANSITION

November 2023



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FOREWORD

In a world where the imperative of sustainable development is ever more pronounced, energy governance stands as a linchpin for our collective future. As we strive towards increasing energy access and accelerating an energy transition that leaves no one behind, the importance of effective, inclusive, and accountable governance cannot be overstated.

I am pleased to introduce this important and timely framing for energy governance, which outlines the crucial role that nations must play in steering their energy future. At the United Nations Development Programme (UNDP), we are uniquely positioned to support countries on this transformative journey towards strengthening energy governance and instigating a system change through a people-centric approach and by harnessing the potential of digital innovations. We work alongside governments, civil society, the private sector, and other partners to build a more fair, inclusive, and sustainable energy system.

UNDP also works with countries to strengthen their governance systems – from the grassroots to the national - so they can better adapt to the diverse and rapidly changing contexts that are today's norm. As the UN's leading development agency, UNDP draws on six decades of experience in addressing the intricate and multifaceted governance challenges that many countries face. The energy governance priorities and approaches in this framing provide a roadmap for nations as they navigate these complexities. From advancing renewable energy sources to ensuring affordable and reliable access for all, the challenges are numerous, but so are the opportunities. We must harness the potential of clean and efficient energy systems and unprecedented partnerships to drive economic growth, address poverty, reduce inequalities, create more jobs, and safeguard our planet for future generations.

To achieve these goals, the principles of inclusivity and accountability must underpin our actions. Inclusivity ensures that the benefits of the energy transition reach all citizens, particularly those most vulnerable and marginalized. Accountability ensures that commitments are upheld, and the government is responsive to the needs of the people it serves.

I would like to thank the important contributors to this paper, including the members of UNDP's External Advisory Group on Energy Governance, for their dedication to this vital issue. Let us use this resource as a guide to shape our efforts and as a reminder that we have a shared responsibility to improve energy governance and ensure a just energy transition.

The journey ahead may be challenging, but again, it is also filled with opportunities. Let us seize this moment to forge a brighter, inclusive, and sustainable energy future for all.



Marcos Neto

ASG, Assistant Administrator
and Director, Bureau for Policy
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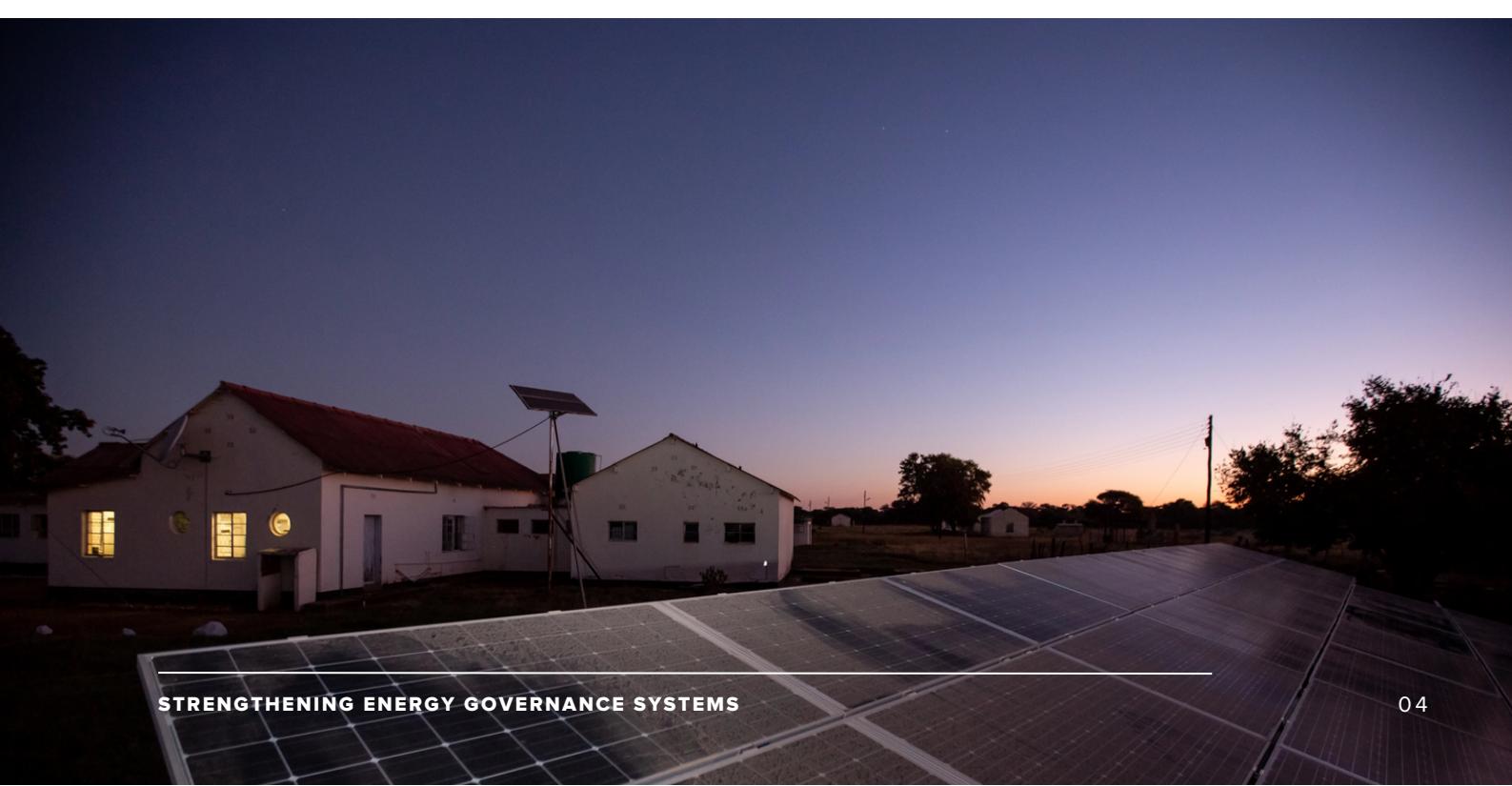
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INTRODUCTION

Energy access is fundamentally tied to governance. The selection of an energy source, its production and consumption, and the stakeholders involved all carry significant governance implications. The outcomes and beneficiaries of such decisions are shaped by the governance structures in place, whether on a global, national, provincial, community, or household scale. UNDP seeks to support countries in their effort to strengthen energy governance systems so that they are more effective, inclusive, and accountable.

UNDP is committed to bringing unprecedented partnerships and actions to help 500 million additional people gain clean energy access by 2025 and further accelerating the transition to clean, reliable, and affordable energy for all. UNDP is prioritizing these actions in countries and regions with the highest levels of energy poverty. Closing the gap on energy access so that marginalized people and communities gain access to sustainable energy and the dignity and opportunities it brings, and accelerating a just energy transition from fossil fuels through system changes that support a green recovery are at the center of UNDP's commitment.

The current energy crisis presents an opportunity to accelerate a shift towards renewable energy and build stable, secure, and just societies through accountable, effective, and inclusive governance. To achieve this, the right institutional arrangements and capabilities, policies, frameworks, implementation plans, business models, technologies and innovations, and infrastructure are crucial for effective system-wide transformation.

This guidance note presents a strategic framework for understanding and strengthening energy governance and is designed to contribute to global, regional, national, and local efforts towards more inclusive, accountable, and effective energy transitions. It unpacks some of the complexities in the governance of energy systems of the 21st century and guides our efforts towards developing and providing effective energy governance strategies, frameworks, tools, policies, practices, and procedures to support UN Member States. UNDP's policy and programming support to countries in the development of tools, research, policy, and technical advice should be guided by the pillars of the framework set out in this document.

The framework was shaped by UNDP's extensive global experience, combined with multiple key dialogues and consultations within the organization and with external partners and experts. Notably, a 'UNDP Internal Dialogue on Energy Governance' took place on 30 May 2023 where the framework was presented and discussed. This event saw participation from over 120 staff spanning 50 UNDP country offices. The framework has also been shaped by several in-depth discussions of the 'UNDP External Advisory Group on Energy Governance',¹ a distinguished body comprising 23 experts from 17 different countries.

CONTEXT: A JUST ENERGY TRANSITION

The world is grappling with a monumental challenge: the grave consequences of climate change primarily driven by excessive fossil fuel consumption. Equally alarming, the SDG 7 - 2023 tracking report indicates that over 675 million people remain without electricity access, and a staggering 2.3 billion lack clean cooking facilities, with the majority in Sub-

What is a 'just' energy transition?

The energy transition is a process of replacing fossil fuels with low or zero-carbon energy sources. It's a long-term structural change of the energy system. The term 'just' ensures that all people are at the center of the transition process. It emphasizes the critical importance of leaving no one behind, bringing people out of poverty, reducing social inequalities, supporting human rights, and serving the wider public interest, rather than promoting the interests of specific groups.

Saharan Africa and South Asia? If we don't ramp up efforts, approximately 660 million people will still be without electricity, and nearly 1.9 billion will be deprived of clean cooking by 2030. Although there have been initiatives to boost renewable energy in heating and transportation—sectors that constitute more than three-quarters of global energy consumption—the progress remains insufficient to meet our climate objectives.

For the first time in over 30 years, the Human Development Index has seen a decline, a downturn further deepened by a series of societal challenges³. A growing number of people have been pushed into poverty and have experienced widened inequality, with factors like the COVID-19 pandemic playing a pivotal role. The energy challenges the world is confronted with extend far beyond the confines of the energy sector, permeating various policy domains, such as health, education, employment, water, food, poverty, inequality, infrastructure, agriculture, transport, and long-term economic development. This interconnectedness not only increases fragility within societies but can also serve as a potential catalyst for conflicts, underscoring the urgency of addressing these issues comprehensively and sustainably. In this context, achieving a just energy transition through effective, accountable, and inclusive energy governance is essential for addressing urgent national development priorities, environmental concerns, protecting human rights, and maintaining social stability.

Past energy transitions have been shaped by economic development and technological advancement. The transition from wood or manure to coal or to oil and gas was driven by the need of the growing economies for cheaper and more efficient energy sources. The energy transition of the 21st century is different. It is mainly driven by the urgent need and global commitment to reduce greenhouse gas emissions while also addressing the lack of reliable and affordable energy access for the world's poorest people. Limiting global warming to 1.5

degrees C requires reaching net zero CO₂ emissions by 2050, and therefore, the current energy transition has to be unprecedented in both scale and speed.⁴ This essentially means significantly reducing the use of fossil fuels, ending fossil fuel subsidies, augmenting sustainable energy investments, increasing the production of renewables, improving efficiency of energy storage, enhancing energy efficiency, electrifying different sectors, and expanding the use of alternative fuels such as green hydrogen.

The challenge of energy transition is formidable, emerging amid what could be described as the most significant cost-of-living crisis in recent memory.⁵ The crisis has been exacerbated by events such as the COVID-19 pandemic and the war in Ukraine, both casting shadows over crucial developmental issues.⁶ The energy transition also comes at a time with high levels of social and political polarization in many societies characterized by significant disinformation and distrust in science and governments. If not judiciously navigated, a green transition has the potential to increase polarization and put into question society's entire social contract.

Global governance and geopolitical factors significantly influence and impact the energy transition in countries. Numerous factors — from global interdependencies and technological disparities to transboundary dynamics, dependencies on critical raw materials, and potential for manipulation — will shape the possibility of a fair energy transition.

The energy transition will bring disruptive changes that will impact people differently, especially marginalized and vulnerable populations. Ensuring the transition is just, inclusive, and accountable, is critical, and mitigating its unintended impacts, particularly in developing regions with concentrated industrialization and development, is crucial.

UNDP'S COMMITMENT TO PROMOTING JUST ENERGY TRANSITION

To ensure a just energy transition, UNDP's Strategic Plan 2022-2025⁷ commits the organization to providing clean and affordable energy access to 500 million people. By adopting a human-centered systems approach, UNDP seeks to accelerate the transition to renewable energy and foster inclusive green economies, ensuring no one is left behind in this transformative process.⁸

UNDP's Environmental Justice Strategy: Securing Our Right to a Clean, Healthy and Sustainable Environment (2022)⁹, further commits UNDP to anchor environmental and climate-related actions in human rights and the rule of law,¹⁰ ensuring processes such as energy transitions protect human rights and do not further exacerbate inequalities.

UNDP's governance strategy, as articulated in its global programme titled 'Governance for People and Planet (G4PP)'¹¹ emphasizes the intrinsic link between SDG 16, which focuses on peace, justice, and robust institutions, and SDG 13, dedicated to addressing climate change. This synergy is especially pronounced in several UNDP partner countries. The governance programme highlights two pivotal areas for this discussion: firstly, backing the governance aspects that expedite the energy transition, and secondly, addressing governance concerns related to strengthening climate adaptation efforts.

Moreover, in its 'Gender Equality Strategy' for 2022-2025, UNDP pledges to confront gender equality disparities present in green energy systems, policies, and decision-making. This commitment is championed under the banner of 'energy democracy', as the organization advocates for equitable solutions.¹²

UNDP'S ENERGY GOVERNANCE FRAMEWORK

Strong energy governance systems are critical for addressing the complex energy challenges of the 21st century. Drawing from its extensive governance expertise—honed through decades of work across more than 130 countries — UNDP embeds governance principles into all its development initiatives. While countries' experiences with energy transition highlight a plethora of technological solutions for decarbonizing societies, the predominant challenge often lies in the governance aspects tied to these transitions. Effective energy governance requires a purpose-driven, risk-informed, and people-responsive system that maximizes impact while minimizing risks and uncertainties.

Not all systems of governance are equally fit for purpose to advance a just energy transition. The Principles of Effective Governance for Sustainable Development¹³ provide useful guidance for strengthening governance systems through a set of internationally agreed governance principles. The principles were developed by the UN Committee of Experts on Public Administration (CEPA) and endorsed by the UN ECOSOC in 2018 to address a broad range of governance challenges associated with the implementation of the 2030 Agenda for Sustainable Development. UNDP has committed to mainstreaming the ECOSOC governance principles in all its work.¹⁴ They include three main and 11 (sub-)principles (See Table 1), each of which can be linked to commonly used government strategies and provide a helpful framework to identify key governance entry points to strengthen inclusion, accountability, and effectiveness in energy systems.

Table 1: Principles for Effective Governance for Sustainable Development (UN ECOSOC, 2018)

Effectiveness	Accountability	Inclusiveness
Competence Sound policy making Collaboration	Integrity Transparency Independent oversight	Leaving no one behind Non-discrimination Participation Subsidiarity Intergenerational equity

What is energy governance?

Energy governance is the exercise of economic, political, and social authority to manage the spatial planning, production, transmission, distribution, storage, access to and use of energy. It includes the ways by which decisions are made about where and how energy resources are developed, regulated, and consumed. It comprises the mechanisms, processes, and institutions through which governments, people, communities, and corporations articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences in relation to energy.

Based on its extensive governance expertise and the principles of effective governance for sustainable development, UNDP's energy governance framework for a just energy transition prioritizes four programming entry points together with four critical approaches essential for strengthening energy governance within countries.

The four priority entry points include:

1. Inclusive and effective institutions
2. Legal and regulatory frameworks
3. Civic engagement and empowerment
4. Appropriate and Independent oversight

The four approaches critical for these focus areas to achieve impact are:

1. **Inclusive and people-centered approach** that engages all stakeholders' rights, perspectives, needs, and aspirations. For example, in Nepal, UNDP empowered women and disadvantaged groups by providing electricity access¹⁵ while promoting gender equality and supporting job opportunities and women in leadership. In Zimbabwe, solar panels at healthcare facilities¹⁶ were installed to help healthcare workers reduce complications during and after pregnancy and childbirth.
2. **Multi-level governance** approaches that encourage collaboration between various government levels (national and sub-national especially) but also across different sectors. This approach requires a focus on the connective tissue between local governance and national governance systems and how collaboration, cooperation, and coordination can be strengthened. UNDP supports local governance approaches and has developed an integrated framework to strengthen local governance systems,¹⁷ particularly in fragile and conflict-affected settings requiring emergency infrastructure rehabilitation, such as transport, social, and energy infrastructure.¹⁸
3. **Digitally enabled approaches** that accelerate the energy transition through technology-driven solutions and that also enhance efficiency, effectiveness, and transparency in governance processes. UNDP's Africa Mini-grids Programme¹⁹, working with 21 Sub Saharan countries, is disrupting energy markets by using innovative digital solutions in accelerating clean energy access and improving the overall governance through access to real-time data, financial records, knowledge management and monitoring and evaluation system.
4. **Flexible and adaptive approaches** that respond to the ever-changing nature of the energy landscape, prompting agile responses to emerging and interlinked challenges and opportunities. Strengthening the energy governance system in countries needs to be based on understanding the dynamics of uncertainty and change in relation to future risks, opportunities and innovations. Foresight and anticipatory governance approaches are critical elements of energy governance²⁰. UNDP's Regional Bureau for Asia and the Pacific has developed a Foresight Playbook that suggests entry points and provides some examples for foresight approaches to proactively identify emerging risks and opportunities to ensure that policies are adaptable to changing tides.²¹

Figure 1 - Energy Governance: Priority Focus Areas and Approaches for a Just Energy Transition



INCLUSIVE AND EFFECTIVE INSTITUTIONS

- Integrity
- Competence
- Collaboration
- Transparency

LEGAL AND REGULATORY FRAMEWORK

- Coherence
- Flexible
- Robust
- Co-designed

CIVIC ENGAGEMENT AND EMPOWERMENT

- Participatory
- Effective
- Facilitative
- Non-discriminatory

APPROPRIATE AND INDEPENDENT OVERSIGHT

- Integrity
- Reliability
- Informed
- Fact-driven

Inclusive and People-Centered

Multilevel

Digitally Enabled

Flexible and Adaptive



Focus area 1

Inclusive and effective institutions

Governments bear the primary responsibility for steering a just energy transition. They must balance climate commitments with economic viability and social equity. Their role is to lead in the implementation of these national commitments. They are convenors of social dialogues and other forms of formal and/or informal consultation mechanisms, including youth and women's groups. Moreover, governments act as regulators, shaping industrial, climate, energy, and labour market policies. They also function as investors, maintain ownership of state enterprises and infrastructure, and stand as employers for public sector workers.

Public institutions, especially core ministries and departments such as the ministries of energy, environment, education, finance, employment, rural affairs, gender need to have sufficient capacities and capabilities to come together to develop coherent joined up policies and initiatives. A more coordinated approach across the entire government, including at different levels, is paramount to support comprehensive, just energy transition policies and addressing interconnected issues.

While the role of the state is undeniably vital, the impact of non-state actors in realizing a just energy transition should not be underestimated. Adopting a comprehensive approach that encompasses both whole-of-government and whole-of-society perspectives is essential. Such an approach allows for a nuanced understanding of the multifaceted social, cultural, political, and economic influences, facilitating swifter and more efficacious decision-making and execution.

Public confidence and trust in institutions at all levels are fundamental for driving the energy transition successfully. The government's ability to prevent and address corruption is critical. In many countries, the energy sector has already become a breeding ground for corruption. Studies show how corruption leads to inflated capital costs for new renewable energy projects²² burdening emerging economies and hindering their capacity to expand renewable generation.²³ Countries with cumbersome bureaucracies and weak institutions should conduct energy transition corruption risk mapping to identify and tackle corruption effectively. Implementing new anti-corruption laws, practices, and guidelines specific to the renewable energy sector is crucial to deter wrongdoing and ensure accountability. For over a decade, UNDP has led the integration of anti-corruption practices in key

development areas,²⁴ and has supported the Global Portal on Anti-Corruption for Development²⁵— a one-stop-shop providing information and tools to aid development practitioners, governments, researchers, and civil society organizations worldwide.

Access to reliable information and ensuring data quality are critical when developing effective energy transition policies and implementing them. Energy policy modeling and planning should be informed by data and analytics covering key governance factors such as institutional effectiveness, the rule of law, transparency, political economy, and civic engagement. By integrating these crucial elements, policymakers can create comprehensive and sustainable energy strategies that account for the broader societal context and ensure effective implementation and public support. Ensuring the universal coverage of legal identity to get personal data²⁶ collecting and assessing sex-disaggregated and gender data, enforcing statistical standards, and adopting a cross-cutting and intersectional approaches will enhance policy effectiveness. Institutions must develop strategies to promote access to reliable and accurate information sources and foster collaboration among public institutions, media, internet companies, civil society, and others stakeholders. These colborations should focus on improving the integrity, collection, analysis, utilization, and dissemination of information.

Key actions

- Capacitate government (at all levels) to move from a sector-based approach to a systems-based approach.**
 - Develop anti-corruption laws, practices, and guidelines in the renewable energy sector to deter corruption, and penalize wrongdoings.**
 - Ensure existence of quality data and information on which energy policy is based including the use of sex-disaggregated and gender data based on registration systems that ensure legal identity for all the people.**
 - Take a whole-of-society approach and mobilize multi-stakeholder partnerships for collective action by promoting access to information and participation.**



Focus area 2

Policy and regulatory framework

Energy policy, a fundamental pillar of energy governance, encompasses declared objectives, guiding principles, and statements of intent. While the general goal of an energy transition is evident, achieving it involves diverse approaches and potential lack of consensus. Beyond governmental realms, the design of energy policy and regulations is shaped by intricate interactions among industrial players, political groups, and the broader society. These stakeholders possess varying interests, incentives, and degrees of social, political, or economic power, which influence their support or opposition to proposed solutions. Understanding the impact of these political economy factors²⁷ is essential for effective formulation and implementation of clean energy policies and regulations.

Prioritizing the broader public interest, which includes safeguarding the rights of vulnerable and marginalized populations, is of utmost importance. Legal and regulatory frameworks should seek a delicate balance to address power asymmetries and serve the goals and interests of people, communities, government, and industry with complete transparency and impartiality. Effective laws and policies should govern the spatial planning, production, distribution, storage, and consumption of energy, aiming to transform the existing system into one that aligns with the people's needs. This transformation is imperative not only for intrinsic reasons like fairness, human rights, and social justice but also for instrumental reasons, such as securing public support, fostering buy-in, ensuring effectiveness, and promoting long-term sustainability.

Promoting policy coherence²⁸ in the energy sector is vital for achieving an effective and just energy transition. It involves aligning various energy policies, regulations, and strategies to ensure they complement each other and work synergistically towards common goals. Through integrating various initiatives—from renewable energy expansion and energy efficiency to emissions curtailment and fiscal policies—and recognizing intersections with domains like land, water, food, health, poverty alleviation, gender equality, and education, policy coherence champions a comprehensive strategy for energy transition. This requires better coordination among different government departments, private sectors, and other stakeholders, facilitating a more streamlined and efficient implementation process.

Embracing foresight in energy transition policies can allow policymakers to anticipate future challenges and opportunities. By considering technological advancements, societal changes, and market trends, foresight enables the design of adaptive and robust policies. It empowers decision-makers to proactively address emerging trends, optimize resource allocation, and prioritize investments for long-term effectiveness. Ultimately, foresight ensures that energy transition policies remain relevant, resilient, and capable of achieving sustainable outcomes. The OECD highlights lessons²⁹ from countries and organizations with well-established government foresight systems which could be a valuable resource for embracing foresight and anticipatory approaches to energy policies.

Policies must be developed through an informed and genuinely participatory co-designed process, ensuring that diverse stakeholders have access to relevant and accessible information. This process may involve effective media use for information distribution, use of accessible language, and knowledge-sharing sessions to create shared terminology and understanding. Furthermore, it should acknowledge that co-creation takes place, enabling participants to verify that their ideas have been considered and incorporated. To facilitate such inclusive consultations, UNDP's inclusive consultation checklist can serve as a valuable guide³⁰. UN DESA and UNDP have also developed an analytical framework which can be a helpful tool to help improve stakeholder engagement, foster dialogue, and support the sharing of lessons learned and good practices³¹.

A clear theory of change and measurable indicators are essential components to enhance the success of policies. Anticipating unintended consequences during the design process helps mitigate risks and uncertainties. Adaptive policies and regulations, with clear targets, roles, and responsibilities, fostering new market frameworks, incentivizing investments, and supporting research and development of new technologies, are crucial for achieving a just energy transition within a limited timeframe. The United Nations Committee of Experts on Public Administration's Strategic Guidance Note on Regulatory Impact Assessment offers valuable support for public policy design and decision-making processes.³²

While addressing technological issues, policies and regulations must play a multifaceted role in the energy sector - incentivizing investments in renewable energy and low-carbon technologies, facilitating the research, development, and demonstration of innovative solutions like green hydrogen and carbon capture and storage, and further supporting the integration of digital technologies in the energy sector. A well-defined policy, legal and regulatory

framework, such as minimum energy efficiency standards for buildings and industries, can make the investments more effective, lower investment risks, and foster significant expansion of renewable energy. Furthermore, regulations can bolster decentralized energy systems by overseeing the interaction between energy producers, local communities, and the energy grid. They also play a vital role in safeguarding the security and privacy of both the system and consumers.

Supporting policies to de-risk renewable energy investments is also crucial to lower financial uncertainties and increase investor confidence. UNDP has developed a Framework for De-risking Renewable Energy Investment (DREI) that provides an innovative, quantitative framework to assist policymakers in developing countries to cost-effectively promote and scale-up private sector investments in renewable energy.³³ UNDP is applying the DREI methodology in Belarus, Cambodia, Kazakhstan, Lebanon, and Tunisia for utility-scale wind, utility-scale solar PV, on-grid rooftop PV, mini-grids, solar home systems, and other applications.³⁴

Key actions

- Use political economy analysis and tools to understand factors that affect the development of effective policy formulation and facilitate a timely just energy transition.
- Provide a clear vision, leadership, and policies to build trust and confidence with market players such as customers, businesses, manufacturers, investors, and others.
- Formulate a legal and regulatory framework that mitigates risks associated with renewable energy investments. This will foster a favourable environment for the development and integration of sustainable technologies while safeguarding individuals and businesses from evolving risks and uncertainties.
- Ensure effective and accountable implementation through co-creation approaches, providing clear responsibilities and obligations of all stakeholders, effective awareness and communication, and robust monitoring and reporting mechanisms.
- Promote active coordination among different government institutions to ensure policy coherence.



Focus area 3

Civic engagement and empowerment

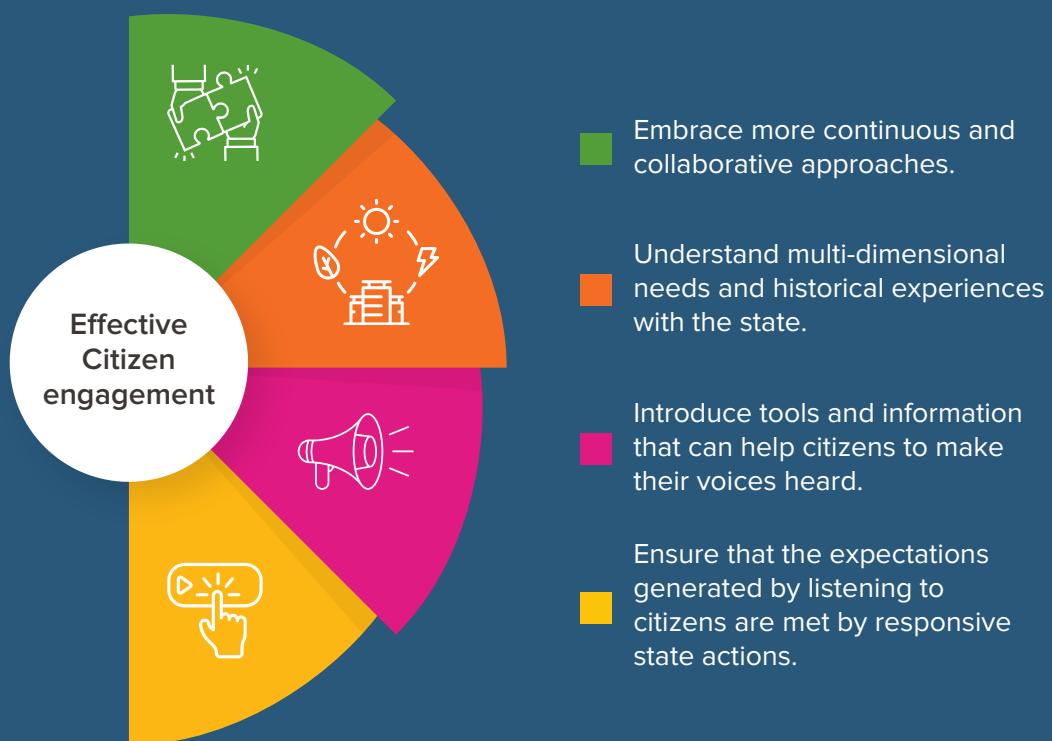
Meaningful civic engagement with active support from all stakeholders is essential for a just energy transition. However, participation in energy-related discussions is currently inconsistent and constrained, which impedes the full realization of a fair energy transition. Upholding three fundamental rights: access to accurate, timely, and understandable information, active public participation, and ensuring justice, as highlighted in Principle 10 of the Rio Declaration³⁵, is critical to empower people, citizens, and communities to voice their preferences and work together to achieve the public good. UNDP views information pollution in all its forms as a hindrance to information access and offers essential guidance to support countries and governments in countering emerging information pollution³⁶ and its programmatic response includes Artificial Intelligence powered digital social monitoring and fact-checking tools³⁷.

Effective dialogue with civil society actors has become imperative amidst emerging complex challenges. These encompass job and income loss from coal mine closures, potential for inadvertently sustaining or widening gender gaps when accessing energy technologies and job opportunities in the clean energy sector, energy projects negatively impacting indigenous communities, displacement and land issues, and other human rights risks from critical mineral development, including the harassment of environmental human rights defenders. Dialogue is also critically important as emerging risks from energy transitions are channeled up through civil society and environmental human rights defenders, including the impact of energy transitions on biodiversity and nature protection. Facilitating cooperation between stakeholders can accelerate a just energy transition, promote social cohesion, and support broader societal development. Ensuring the active participation of marginalized groups, including women, youth, indigenous people, and persons with disabilities, in energy decision-making processes is particularly vital as they are often excluded despite being the most impacted by these changes.

Integrating energy transition processes with international human rights frameworks and processes serves as a critical tool for spotlighting potential human rights risks inherent in the often-rapid pace of such transitions. Leveraging human rights reporting mechanisms, such as those within the Universal Periodic Review process³⁸, can effectively draw attention to these concerns. Furthermore, fostering meaningful dialogue should encompass diverse stakeholders, including the private sector, to facilitate engagement between rights holders and businesses driving energy transitions, thereby advancing the implementation of the UN Guiding Principles on Business and Human Rights.³⁹

UNDP creates inclusive spaces where citizens' voices are heard, and their insights incorporated into policy dialogue and developmental solutions. This helps ensure citizens truly have the opportunity to mold and steer policies towards impactful change. UNDP is particularly committed to strengthening women's collective mobilization, voice, and leadership as part of its inclusive governance approach. Its emphasis on "collective intelligence"⁴⁰ offers a reboot of citizen engagement for the 21st century, building on decades of experience in supporting citizen engagement across a range of sectors. Insights from UNDP's innovations in citizen engagement in the Latin America and Caribbean region—which span sectors such as public health, environment, waste management, and countering disinformation—are encapsulated in four key lessons, illustrated in Figure 2 below.⁴¹

Figure 2: Lessons from recent UNDP work on effective citizen engagement



National leadership should recognize the pivotal role of inclusive participation from all sectors of society in driving accelerated development during the energy transition. This recognition is crucial because engaging civil society, community organizations, and environmental human rights defenders brings diverse perspectives, local knowledge, and grassroots support into the decision-making process. By doing so, it not only enhances the effectiveness and legitimacy of energy transition initiatives but also ensures that the transition aligns with the needs, concerns, and aspirations of the people it aims to serve.

Empowering women through increased sustainable energy access is a critical aspect of energy governance. UNDP offers a toolkit and resource guide to help countries incorporate gender and energy considerations into development programmes, fostering gender-specific energy outcomes that cater to women's specific needs.⁴² Similarly, youth engagement is vital for influencing energy and climate policies and integrating them into various sectoral policies. Furthermore, UNDP has developed a guide for meaningful youth engagement⁴³, created with input from climate activists. Inclusivity of indigenous communities in policy development is also essential to address their specific needs, as seen in Latin America and elsewhere, where they face poverty at disproportionate levels.⁴⁴ Providing these communities with a platform to voice their concerns is crucial in tackling energy poverty issues and ensuring their needs are considered. UNDP, based on its mandate from the Charter of the United Nations, provides an overview on policy of engagement, key lessons learned and way forward.⁴⁵

Effective civic engagement requires active support and empowerment from institutions through mutual understanding, awareness building, and maximizing participation. Creating, protecting, and enhancing civic spaces are crucial for fostering meaningful engagement. Working together with communities to develop relevant norms, practices, strategies, and actions ensures a just energy transition that delivers for all.

Access to quality, reliable and easily understandable information on energy-related matters is essential, especially in the context of potential disinformation and information asymmetry. Achieving this requires the implementation of appropriate transparency policies, safeguarding independent media, and actively fighting disinformation. In this endeavour, the private sector, leveraging its expertise in innovations and communications, can play a pivotal role in promoting civic understanding and engagement across all segments of society.

Civil society actors are diverse entities, and their heterogeneity should be acknowledged. They ought to be perceived not merely as stakeholders but as influential partners throughout the energy transition process. Engaging them ensures that a broad spectrum of society—including women, youth, indigenous

peoples, and local communities—is represented at every stage: from problem diagnosis to solution identification, implementation, and monitoring. Regular capacity building and resource strengthening will enable civil society to effectively collaborate with government and the private sector at various levels. Engaging civil society ensures accountability and responsiveness to people's needs and priorities, benefiting governments with increased effectiveness, legitimacy, popularity, efficient resource allocation, and political stability.

Key actions

Incorporate civic, social, and media engagement in problem analysis, planning and budgeting, including the use of gender budgeting, which is fundamental to ensure commitment and delivery to the people.

Recognize and support the vital role of the media in informing and fostering public discourse to enhance transparency and accountability.

Promote understanding of substantive issues related to the governance of energy systems as well as awareness of rights, roles, responsibilities and entitlements of people and communities in the energy transition process.

Build trust by establishing conflict-sensitive mechanisms to understand and respond to needs, priorities, and preferences of people and communities — especially the disadvantaged and the vulnerable groups of our society.

Create appropriate platforms to enable meaningful public input into the definition and implementation of energy policy, including mechanisms aimed at promoting transparency and accountability among both public and private actors.

Ensure the adequate protection of civil society actors, particularly human rights defenders, as well as journalists and other media personnel that are engaging in the area of energy policy, including those expressing positions of dissent.



Focus area 4

Appropriate oversight

Energy transition is a complex undertaking that impacts individuals, households, communities, businesses, and countries. There is limited time and resources to achieve the energy transition. To ensure that all aspects are adequately covered and that the transition takes place in a just and efficient manner, the energy transition must be adequately overseen by parliamentary committees, independent agencies, ombudspersons, women's rights and gender equality institutions, human rights institutions, and commissions, anti-corruption agencies, investigative and judicial authorities, consumer commissions and other such bodies⁴⁶. Whenever feasible, energy transition processes and outcomes with relevant indicators should also be integrated with regional and international monitoring mechanisms, including climate, human rights, and anti-corruption reporting processes.

New institutions may need establishment, and existing ones might require new responsibilities in response to the 21st-century energy challenge. It is also imperative to consider the regular capacity development of these institutions and allocate a dedicated oversight budget for energy transition initiatives. Plans, policies, regulations, programmes, and projects must be developed to address social inequality and exclusion with appropriate oversight mechanisms, enabling a just energy transition that provides cleaner, affordable, and inclusive energy access. An agile and robust oversight system is also necessary to promote a whole-of-government approach to regulation and empowering regulatory bodies to contribute to high-quality, forward-looking rulemaking and enhancing systemic resilience⁴⁷.

UNDP's extensive governance experience in addressing several development challenges across a range of countries shows the criticality and long-standing importance of oversight agencies. For example, UNDP has supported parliaments to become more effective and efficient by strengthening legislation and oversight committees and building the capacities of legislators and staff professionalism in Fiji, Samoa, Vanuatu, Solomon Islands, Republic of the Marshall Islands and the Federated States of Micronesia.⁴⁸

Effective oversight and the role of relevant agencies are critical in the energy transition process, as they review and monitor both existing and new institutions. Human rights agencies play a vital role in ensuring that the transition respects human rights, promotes widespread benefits, and addresses adverse impacts on affected communities. Consumer commissions, on the other hand, safeguard consumer rights and provide them with the freedom, reliable information, and incentives to actively participate in the clean energy transition. Meanwhile,

corruption risks pose a significant threat to the energy transition, undermining public finances, hindering fair business practices, reducing market competition, and exacerbating societal inequality. Anticorruption agencies are thus essential in addressing investment vulnerabilities and ensuring the integrity of the ongoing energy transition.

There is no best oversight model, but it is important to ensure that these institutions are given independent authority to engage and act in relation to their core oversight functions for the implementation of the just energy transition. Oversight agencies should perform their duties without any limitation and to the greatest possible extent, which will be achievable only with full cooperation of various policy actors, their departments, and executives. Countries can learn from the experiences and insights of other countries on independent effective oversight of policies and programmes and adapt them appropriately.

Key points

- Empower independent institutions with the mandate to oversee and ensure strict compliance with laws and regulations. Their role is pivotal in countering unfair treatment, illegality, corruption, and unethical practices—both at individual and institutional levels—that might obstruct the path to a fair, just, and inclusive energy transition. Moreover, these oversight institutions should be integrated into existing national, regional, and international reporting processes.**
- Recognize the importance of multiple layers of oversight and accountability, including parliament, civil society, and media, as essential components in ensuring a comprehensive and robust system of checks and balances within the energy transition process. Foster collaboration and coordination among these various oversight entities to enhance accountability and transparency.**
- Support oversight agencies with accurate and useful information, necessary training and capacity building, human capital, and financial resources to take actions and fulfil their duties.**
- Ensure consistent and open communication between law enforcement and oversight stakeholders to foster collaboration and support for their respective roles in enhancing accountability.**



The current energy crisis presents an opportunity to accelerate a shift towards renewable energy and build stable, secure, and just societies through accountable, effective, and inclusive governance. The right institutional arrangements and capabilities, policies, frameworks, implementation plans, business models, technologies and innovations, and infrastructure are crucial for effective system-wide transformation.

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The UNDP Sustainable Energy Hub is a network of partners that work alongside countries to transform energy systems through an integrated agenda focused on the policy, technology, and financial shifts that shape sustainable economic development. We help countries build net-zero, people-centered societies driven by a just, sustainable energy transition. Our core principle is to support energy for development. This includes mobilizing partners to enable 500 million additional people to have access to sustainable, reliable, affordable energy by 2025, leaving no one behind. Our website: undp.org/energy | Follow us on Twitter: [@UNDPClimate](https://twitter.com/UNDPClimate)

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