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Natural Resource Governance Advocacy Opportunities Mapping

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1. Introduction and Framing

Advocacy on natural resource governance in the context of the climate emergency and economic recovery from the COVID-19 pandemic.

A key moment has arisen for advocates pushing for improved natural resource governance (NRG). How can these advocates ensure that resource-rich countries and their citizens are able to navigate the challenges brought about by the enduring global pandemic, the subsequent economic recovery which is underway and the accelerating climate crisis?

Some of the key initiatives and campaigns aimed at improving NRG – the Extractive Industries Transparency Initiative (EITI) and the Publish what You Pay (PWYP) campaign/coalition – will soon mark twenty years since their establishment in 2002. The Open Government Partnership (OGP) which has promoted open government reforms in 78 countries – many related to NRG – has also just marked ten years since its own launch in 2011. The COP26 climate summit in November 2021 saw more participation from the NRG community than ever before suggesting that an important shift in priorities is underway.

The time is right to consider new ways of collaborating to progress NRG in the service of people and planet. This advocacy mapping is a contribution to that effort.

The enduring but shifting importance of natural resources

Non-renewable natural resources (oil, gas, solid minerals/metals) continue to drive global economic growth and remain an important source of government revenues in many countries. But they are also associated with huge negative impacts including greenhouse gas emissions, pollution and biodiversity loss, threats to human health and the environment, as well as corruption, conflict and human rights abuses. Fossil fuels are a leading contributor to climate change, but critical minerals are integral to the success of the shift to a clean energy system globally. In addition, the current and projected increase in energy derived from **renewable natural resources** (including biomass, hydro, solar and wind, as well as energy carriers such as green hydrogen made from water and these sources) also present an important new area of focus for the NRG community.¹

The future of natural resource governance: advocacy mapping

This advocacy mapping exercise comes at a timely moment given three challenges that the NRG movement currently faces:

- a. Procedural governance – *what* to disclose (including tax information, other payments, contracts of beneficial owners), *how* to reform NRG systems (contracting processes, establishing mining cadasters and beneficial ownership registers), *what not to do* (through

¹ While the scope of this mapping does not extend directly to the governance of aquaculture (e.g. fishing) or agriculture (including deforestation related to agriculture), there are of course links, parallels, and potential for cross learnings. A future project could begin to incorporate governance work related to non-renewable and non-energy focused natural resources.

anti-corruption laws and red flag identification) and collaboration through multistakeholder processes - has been the mainstay of the broad NRG movement over the last two decades. While not explicit for all stakeholders, for many including within the civil society movement, this form of governance has the implicit aim of achieving justice, inclusion and equity over natural resources with a focus on citizens in lower and middle income countries. **Evidence of procedural governance achieving these aims is meaningful but limited. Procedural governance efforts should be considered necessary but insufficient.**

- b. The scope of procedural governance efforts has widened significantly beyond the early focus of the NRG movement on payment transparency. **It is more challenging to build a movement around a proliferation of asks than a laser-like focus on payments.**
- c. The NRG and energy transition (ET) movements have developed in parallel with only limited interactions. Given the climate crisis, **energy transition now needs to be the new rallying cry for the NRG movement** but one which remains focused on justice, inclusion and equity for citizens in lower and middle income countries and where their voices are amplified on the global stage.

Note that the important work of whistleblowers, investigative journalists and NGOs through major data leaks including the Pandora, Paradise and Panama Papers – which all include [case studies](#) related to the natural resource sector – and other [investigations](#) have been an important complement to both procedural governance and progressing climate friendly policies through highlighting major governance risks and alleged wrongdoing. These investigations based on information which has entered the public domain (either through transparency initiatives or whistleblowing) help to shine a light on *inequity* and *injustice* and have themselves been catalysts for reforms. Procedural governance and progressive climate policies *combined* with activism focused explicitly on justice, inclusion and equity over natural resources is a more potent mix.

2. A just energy transition for all: the NRG movement's new rallying cry as the world builds back from the pandemic

The three themes below are critical to a successful energy transition based on justice and equity for all as the world emerges from the pandemic. Funders and practitioners can organise their advocacy around these themes over the next 12 months until December 2022. Given the agreements and ambition announced at COP26, an integrated approach to the themes below would ensure that the NRG advocacy community is on the cutting edge, playing its part in a just transition as the world seeks to build back from the pandemic.

It is important to note that transparency, anti-corruption, defending civic space, tax justice, tackling the environmental/social impacts of the natural resource sector, championing community-level justice and whistleblowers/investigations all remain central to NRG in this scenario. Furthermore, the proposed rallying cry on the energy transition should not leave out the need for continued good governance of minerals/metals which may not be immediately considered as transition minerals such as gold and diamonds. In fact the energy transition does bring them into the fold, not least through the need to decarbonise their production and transport.

Good governance is central to a just and equitable **decline in fossil fuel production** around the world to achieve a successful energy transition

Objectives:

- Climate-related information is disclosed at the project level so that citizens, policy makers and investors can better understand and address the risks of the climate crisis and energy transition for fossil fuel producing and would-be producing countries, and for fossil fuel companies.
- Low-income countries and citizens are supported with capacity in their accountability and economic planning to help align political incentives and capabilities around a path towards a reduced or fossil fuel free future.
- Decisive action is taken by historically high emitting OECD countries to wind down their own countries' production of oil, gas and coal. It is unrealistic, and unfair, for wealthy countries to expect low-income countries to abandon the sector when OECD continue to license new petroleum fields.
- While fossil fuels are produced – and they will be for some time to come – they must be subject to high levels of governance and transparency, particularly as less reputable or less suitable actors take up the assets of traditional fossil fuel companies.
- Strong action on anticorruption in fossil fuels becomes an acknowledged part of the solution.²

Robust and enhanced governance standards for the **major scale-up in critical minerals production** are central to a successful energy transition

Objectives:

- Robust governance standards in mineral supply chain initiatives are promoted
- Transparency, accountability, anticorruption and support to civil society in low-income critical mineral producer countries is prioritized³
- Tax systems evolve to ensure producer countries and their citizens benefit from the surge in demand and higher prices of critical minerals ([profit shifting and tax avoidance are reduced](#))

Accelerating the deployment and governance of **renewable energy** is central to a successful energy transition and addressing access to energy for all

The International Energy Agency has made clear that a surge in clean energy investment can bring jobs and growth. To reach net zero emissions by 2050, annual clean energy investment worldwide will need

² NRGI and EITI have rightly noted that corruption is an overlooked threat to a successful transition away from fossil fuels. In fossil fuel-producing countries, corruption and narrow political agendas can mean that leaders invest more in oil, gas and coal [projects](#); lavish these industries with [subsidies](#); and [block progress](#) on greener energy—even when doing so runs counter to climate goals and citizens' economic and environmental interests. Elites behind fossil fuel company [lobbying](#) and [campaign donations](#) can (often [legally](#)) influence or even direct energy and climate policy. Furthermore on the eve of the US-convened Summit for Democracy, USAID launched its Combating Transnational Corruption Grand Challenge which [noted](#) that “[c]orruption also increases the transaction costs of shifting to low-carbon energy alternatives”

³ See here for more: <https://resourcegovernance.org/blog/g7-countries-cannot-secure-critical-minerals-without-tackling-governance-and-corruption>

to more than triple by 2030 to around \$4 trillion. [Net Zero by 2050 – Analysis - IEA](#). Despite the financial flows that are going and will go towards renewable energy investment, there has been relatively scant attention to governance.

Objectives

- Decision-makers in fossil-fuel rich countries make choices that remove barriers to the rapid, just rollout of renewable energy
- Targeted advocacy ensures the promised annual amount of USD 100bn in climate finance for lower income countries is mobilised, spent smartly including on governance related programmes and with adequate governance safeguards.
- Governance of renewable energy including on emerging standards and the [shift in capital](#) for renewable energy benefits from the experience, insights and advocacy of the extractives-focused NRG community.

3. Practitioner landscape

Mapping the field of actors who could work collectively on natural resource governance in the context of the climate emergency and recovery from the pandemic

The case for the ‘demand-side’ climate community to make common cause with the ‘supply-side’ NRG community

Improved collaboration between the traditional NRG movement and climate-focused think tanks, NGOs and funders (including corporate foundations) will improve efforts to achieve a just and equitable decline in fossil fuel production.

While this will take some time and is complex, it is already beginning to happen. For example, members of the PWYP coalition have begun to collaborate with organisations such as the Stockholm Environment Institute, E3G, the Environmental Defense Fund, International Institute for Sustainable Development and Carbon Tracker to share experience and networks.

Questions of what kinds of international mechanisms could be negotiated to promote a managed decline across countries are of course complex with ideas ranging from fossil fuel non-proliferation and supply cut treaties, to oil and gas free zones, to debt forgiveness in countries that agree to stop extracting, to programmes where wealthier producers compensate lower-income countries for producing less.

At the same time core NRG partners such as PWYP, Global Witness, Oxfam America and NRG are playing an important role in highlighting the critical need for equity in the energy transition and developing their own [approaches/statements](#) on managed decline. While Global Witness remains a member of PWYP and serves on the board of EITI, its identity is now more linked to challenging climate change together with its traditional human rights and corporate accountability focus. Core NRG partners were also more visible at COP26 than previous COPs which is an encouraging sign. Notably, PWYP [sought](#) to amplify the voices of those on the frontlines of climate change and fossil fuel extraction, in particular young people, women and indigenous peoples. This connection to grassroots communities is an important factor is the NRG communities’ ability to argue for a just transition.

Corporate/philanthropic donors

Several donors are keenly interested in questions of equity in the energy transition. Indeed past NRG funders such as the Open Society Foundations (OSF) have shifted to frame much of their programming in this space under a climate change lens and will be important players when it comes to both financial and advocacy support where appropriate. In appointing Yamide Dagnet as its first director for Climate Justice in December 2021, Open Society President Mark Malloch-Brown [said](#) “The future and resilience of our societies depends on whether we can stop the climate crisis.” Commenting on her new role, Dagnet spoke of the importance of “collaborating with a wide range of actors at the *nexus where the climate challenge intersects with justice, inclusive governance, and human rights.*”

There are likely opportunities on equity in the energy transition with the Ford Foundation⁴, MacArthur Foundation, Open Society Foundations, Hewlett Foundation, Chandler Foundation and Luminate (directly or in collaboration with the Transparency and Accountability Initiative), as well as the BHP Foundation and Joffe Trust (a small but impressive anti-corruption convener in the UK context which has been clear on the link between corruption and climate change progress.)⁵

In addition, the following foundations/trusts are doing important work on climate and would benefit from collaboration with TAI donors on governance and accountability: Quadrature Climate Foundation, Bill and Melinda Gates Foundation, Children’s Investment Fund Foundation, European Climate Foundation, Rockefeller Foundation, IKEA Foundation and Bezos Earth Fund.

At COP26 these latter three foundations/funds spearheaded the launch of the [Global Energy Alliance for People and Planet \(GEAPP\)](#) aiming to accelerate investment in green energy transitions and renewable power solutions in developing and emerging economies worldwide.

While perhaps not directly related to natural resource governance, the Children’s Investment Fund Foundation, European Climate Foundation, Hewlett Foundation, Open Society Foundations, and the Global Green Grants Fund collaborated on providing kick-start finance for a prospective new facility at COP26 (which was being negotiated at COP26 but which was not ultimately established) to support vulnerable countries most hit by the losses and damages resulting from climate change.⁶

Finally, given the constraints on lobbying for foundations, there is clearly a role for these important actors to convene and support the participation and voices of the diverse NRG community, which in turn

⁴ For example, in December 2021 the Ford Foundation launched a \$3 million Extractive Industry and Climate Change Governance Fund hosted by the Africa Centre for Energy Policy (ACEP) in Ghana. While the fund appears to be focused on the nexus between climate change and extractives, it is notable that ACEP works more widely on energy policy – including on renewable energy. [Ford Foundation announces new fund to strengthen natural resources governance in West Africa / Ford Foundation](#)

⁵ A convening of tax and anti-corruption organisations in July 2021 identified a collective priority as “The links between climate change, corruption and tax reform” (section 4.4: [Microsoft Word - Joffe Retreat Report Jun21.docx \(joffetrust.org\)](#))

⁶ See [Philanthropies offer kick-start funds for prospective Glasgow Loss & Damage Facility to support vulnerable countries suffering from climate change - Ciff](#) and [Climate 'loss and damage' earns recognition but little action in COP26 deal | Reuters](#)

will ensure the NRG advocacy community is more potent. A foundation or group of foundations which support an integrated approach to NRG (fossil fuels wind-down, critical minerals ramp-up, and renewables governance) would likely have real impact.

Bilateral government donors, multilateral development banks, export credit agencies and other international financial institutions

It is notable that efforts by bilateral donors, multilateral development banks, export credit agencies and other international financial institutions are moving to shift away from direct financial support to fossil fuel extraction projects. This is to be welcomed. However, the NRG and climate movements should work together to ensure these steps are accompanied by stronger investments to support just transition efforts. There is a risk that development partners could end up leaving resource-dependent countries behind, without the support they need to promote accountable decision-making, build resilient economies, and develop reliable sources of clean energy. Development assistance (including through advocacy in the areas mentioned in section two) have a key role to play by helping governments devise new alternatives to fossil-fuel dominated development, highlighting the risks associated with long-term dependence and strengthening the voices of citizens in reform efforts. The voice of the global NRG movement in particular will be important in this respect. A message to bilateral and multilateral donors on fossil fuels should be to welcome support for ending fossil fuel project financing overseas but equally *governance* of the fossil fuel sector and its wind down must not be neglected.

Complementing the need for good governance in fossil fuel wind down, bilateral donors, multilateral development banks, export credit agencies and other international financial institutions have a key role to play in financing and supporting technical assistance on the governance of alternatives to fossil fuel-based energy (critical minerals and the linked issue of renewables). The vast financial flows which must be mobilized by these actors and which must go towards a clean energy transition (as highlighted in a November 2021 [paper](#) by Amar Bhattacharya and Nicholas Stern) are of course vulnerable to corruption and governance risks and therefore require the attention of the NRG community.

Collaboration with the extractive industry

While there will be limits to civil society working together with industry directly to further advocacy aims, where common cause can be found this should be fostered.

The EITI is of course a key process by which civil society, along with the extractive industry and governments have been able to agree and oversee implementation of [far-reaching NRG standards](#) (see sections 4 and 5 on opportunities in 2022 below). There has been [legitimate recent questioning](#) of some oil companies' commitment to upholding the EITI standard, suggesting that common cause may be easier to find with the EITI's mining sub-constituency.

Beyond EITI, there are other reasons to be hopeful that collaboration in some contexts between civil society and the elements of the mining sector can progress advocacy objectives. For example, BHP's move to [look at 'tougher jurisdictions' in its hunt for metals](#) only serves to underscore the need for a collective approach to strong NRG. At the European regulatory level, PWYP members, multiple ICMM and members and Kosmos Energy [jointly wrote](#) to the European Commission in 2019 recommending improved approaches to the EU's payment disclosure regime.

NRG-focused organisations/initiatives/partnerships

Civil society organisations/networks:

There are thousands of organisations globally which work on NRG and/or the energy transition. The following organisations and networks are particularly prominent in global programming: NRG, Global Witness, Oxfam America, Transparency International Australia, PWYP (including national chapters and members including at the grassroots and community level), World Resources Institute, the Mining and Energy Transition Forum⁷, Global Gas and Oil Network⁸, and the Business and Human Rights Resource Centre. Others are prominent in regional contexts, such as Southern Africa Resource Watch, Africa Center for Energy Policy the Project on Organization, Development, Education and Research, the US Financial Accountability and Corporate Transparency coalition⁹, and UK Anti-Corruption coalition¹⁰.

Initiatives/intergovernmental partnerships

These initiatives and intergovernmental partnerships all promote good governance but have begun to make important contributions on the energy transition: Extractive Industries Transparency Initiative¹¹, Open Government Partnership¹², Open Ownership¹³, Open Contracting Partnership¹⁴, Columbia Center on Sustainable Investment, Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF)¹⁵ and The B-Team.

⁷ Comprised of environmental and human rights NGOs, mining-affected communities, trade unions and researchers who share a common interest in understanding the intersections of mining, minerals and the growth of low-carbon technology

⁸ Comprised of NGOs around the world that are working to advance a climate-safe and just transition off of oil and gas production. In Europe, for example, key NGOs comprise Greenpeace, E3G, Price of Oil, Carbon Tracker, European Climate Foundation, Environmental Defense Fund, Institute for Sustainable Development and International Relations, and Transport & Environment

⁹ Has traditionally had some focus on NRG through lens of beneficial ownership, tax and anti-corruption. See also on link between tax and climate: [Climate and Tax Activists Should Join Hands to Equitably Raise Government Revenue to Fight the Climate Crisis | The FACT Coalition](#)

¹⁰ Includes a priority on natural resources: "Driving transparency, accountability, and sustainability in the extractives sector: [Fighting Corruption: An Agenda for 2021 — UK Anti-Corruption Coalition](#) (ukanticorruptioncoalition.org)

¹¹ [Transparency in Transition - Climate Change, Energy Transition and the EITI | Extractive Industries Transparency Initiative](#)

¹² [Environment and Climate | Open Government Partnership](#) (opengovpartnership.org)

¹³ [Beneficial ownership information can support transparency and accountability in the transition to net zero — Open Ownership](#)

¹⁴ [How to tell green procurement from greenwashing - Open Contracting Partnership](#) (open-contracting.org)

¹⁵ The tax and mining team are important allies and follow the new 'global' tax deal closely (Alexandra Readhead, Thomas Lassourd and Howard Mann). See [The end of tax Incentives: How will a global minimum tax affect tax incentives regimes in developing countries? — Investment Treaty News](#) (iisd.org) and TAI/OSF's important point on philanthropy on tax here [Philanthropy's tax blind spot - Alliance magazine](#)

4. 12 months of action-forcing events and summits (December 2021-December 2022)

The table below lists a number of summits and key moments where advocacy efforts could be deployed to progress key asks. The list begins with the US Summit for Democracy which itself kicks off a year of action where NRG has the potential to feature prominently in commitments made. It is encouraging that key NRG and anti-corruption groupings are making the direct link to the energy transition in their commitment proposals for the summit.¹⁶ The summits and moments below are not exhaustive but are the most prominent global action-forcing moments that advocates and their supporters (through funding or convening) can focus on. The list below does not include domestic summits or moments unless those moments have the potential to progress global action.

In terms of prioritization, the following general factors have been taken into account: potential to create progress or change in multiple jurisdictions; likelihood of success (opportunities outweigh risks); accessibility for civil society and other non-state actors such as the private sector.

Table 1

Date	Moment/event/summit	Opportunities	Risks	Priority - rationale
2021				
Dec 9-10	US Summit for Democracy (virtual, part 1)	First of two high-level events kicking off a year of consultation, coordination, action, and delivery. Format will be useful for sustained engagement (not a flash in the pan summit). Three pillars: countering authoritarianism, advancing respect for human rights,	Some concerns over civil society’s ability to influence country commitments initially given time frame. Specifically on US EITI: civil society will want reassurances from US oil companies that they will comply with the EITI Standard. Without this	High priority. Extensive list of invited countries including many which are renewable and non-renewable resource-rich. The first step in a “year of action” where investing in commitment design with governments is a promising

¹⁶ NRG groups [said](#) in October 2021 that the commitments “would also help diffuse potential threats to climate action and the energy transition. In November 2021 the UK Anti-Corruption Coalition [said](#) their proposed commitments would address “ways in which corruption undercuts global efforts such as the energy transition away from fossil fuels”.

		<p>and combatting corruption – all of which link closely to the NRG field.</p> <p>Opportunities to influence leader speeches at December 2021 event for specific countries.</p> <p>The US 100-day-supply-chain-review-report.pdf (whitehouse.gov) from June 2021 makes numerous recommendations related to US EITI implementation, supporting EITI and the Energy Resources Governance Initiative (ERGI) globally, and strengthening/broadening the conflict minerals provisions of Dodd Frank 1502. It is not clear how these recommendations might be taken forward, although these could be included in US commitments related to the Summit for Democracy.</p>	<p>undertaking, it is difficult to see adequate support for US EITI being forthcoming.</p> <p>Given that China, Russia and most of the Middle East and North Africa region have not been invited, the summit will have limited (if any) impact on domestic reforms in these countries, many of which are resource rich and associated with autocracy and/or kleptocracy.</p>	<p>opportunity for the year ahead.</p> <p>NRG civil society groups have already published recommended commitments (though renewables governance is not mentioned).</p>
Dec 15-17	2021 OGP Global Summit	<p>NRG and climate have featured prominently in OGP National Action Plans to date. Summit is a moment to hold</p>	<p>OGP NAPs tend not to include the highest profile NRG commitments but are rather opportunities to refine and</p>	<p>A priority in the year ahead using the summit as a kick off, particularly if coordinated with US Summit for Democracy advocacy.</p>

		<p>governments to account for prior commitments and to push for new commitments in conjunction with the US Summit for Democracy in the year ahead.</p> <p>Opportunities to influence leader/ministerial speeches at December 2021 event.</p> <p>Delivery/accountability mechanism for summit for democracy in relevant countries.</p>	track delivery around other commitments.	
2022				
March-May (approx.)	Australian Federal Elections	<p>Opportunity to push for long overdue EITI and mandatory payment disclosure implementation.</p> <p>Renewable energy industry is well advanced so a good opportunity to engage in governance commitments in this area and potentially catalyze global progress.</p>	Australia is a laggard in terms of climate change commitments so fossil fuel wind down work is unlikely to bear fruit in near term.	Medium
Feb (approx.)	EITI Global Board Meeting	Important opportunity to influence a new fit-for-purpose EITI Standard (see next section on policy initiatives below)	Renewables governance work outside of critical minerals is a challenge for EITI	High

May 9-12	Mining Indaba, Cape Town	Theme: Evolution of African Mining - Investing in the Energy Transition, ESG and Economies. Good opportunity for engagement on energy transition (inc critical minerals) and identifying industry champions.	Civil society access is often a challenge at this industry-heavy event. Alternative Mining Indaba takes place in parallel	Medium
May (approx.)	Germany G7 summit	UK G7 did not deliver on NRG. Germany's G7 could present a better target given new coalition government composition, pre-existing G7 commitments to initiatives such as CONNEX and post-COP26 impetus. Germany is a leader on renewables, likely to import renewable energy and has done some thinking about the sustainability/governance aspects of the sector. Germany is one of a limited set of countries taking renewables governance seriously.	Federal Government will set its initial international priorities for the G7 in early 2022.	Medium/high depending on 2022 priorities. Important to facilitate coordination between civil society in Germany and internationally.
June (approx.)	EITI Global Board Meeting	Important opportunity to influence a new fit-for-purpose EITI Standard (see next section on policy initiatives below)	Renewables governance work outside of critical minerals is a challenge for EITI	High

Oct (approx.)	EITI Global Board Meeting	Important opportunity to influence a new fit-for-purpose EITI Standard (see next section on policy initiatives below).	Renewables governance work outside of critical minerals is a challenge for EITI	High
Nov 1-12	COP27 (Africa – Egypt nominated)	<p>COP26 did not deliver on integrating governance and anti-corruption into its outcomes. A year of action focused on NRG movement’s proposed new rallying cry related to energy transition could mean a better outcome at COP27.</p> <p>A stronger voice for poorer nations in relation to a just transition is likely in Egypt.</p> <p>Following COP26, the NRG community will be better acquainted with the COP process (including side commitments made by state and non-state actors)</p> <p>As with COP26, leveraging climate finance to fund renewable energy infrastructure will be critical at COP27. Subsequently following this money and ensuring good governance</p>	Civil society access is often an issue at COPs, which will likely be exacerbated by security concerns.	High

		for renewables is a major opportunity which was not adequately discussed at COP26.		
Dec (approx.)	US Summit for Democracy (part 2)	Second of two high-level events drawing to a close a year of consultation, coordination, action, and delivery. See detail for first event above.	Covid-19 resurgence overshadows the year of action.	High priority. See above.
Q4	G20 Indonesia (Bali)	Indonesian government is considering having renewable energy as a key theme under the banner of its “Recover together, recover stronger” presidency. Important emerging economy event. NRG community is traditionally strong in Indonesia (inc on EITI).	Major fossil-fuel producers in the G20 with poor records on transparency and/or human rights such as Russia and Saudi Arabia tend to limit ambition on NRG at the G20.	Medium

5. 12 months of legislative, regulatory and policy initiatives (December 2021-December 2022)

The table below lists a number of legislative, regulatory and policy initiatives where advocacy efforts could be deployed to progress key asks. The EU's Corporate Sustainability Reporting Directive and related EU initiatives are concrete legislative processes where the advocacy asks in section 2 can be progressed and which are taking place now. Furthermore, at least to some degree, a number of NRG advocacy partners are already coordinating efforts. EU legislation also applies to the EU's twenty-seven members states, and in many cases to members of the European Economic Area too if the legislation relates to the EU Single market. The revised 2023 EITI Standard is also a key issue for the NRG advocacy community to rally around (see overview of opportunities and risks section after table 2).

In terms of prioritization, the following general factors have been taken into account: potential to create progress or change in multiple jurisdictions (e.g. a capital market disclosure law which would require a multinational company to disclose information in multiple jurisdictions); likelihood of success (opportunities outweigh risks); ability for civil society and other non-state actors such as the private sector to influence and participate in the process.

Table 2

Timeframe (approx.)	Legislative, regulatory and policy initiatives	Opportunities	Risks	Priority – rationale – additional notes
Ongoing	EU Corporate Sustainability Reporting Directive	European Commission has put forward a proposal for a new Corporate Sustainability Reporting Directive, which includes a focus on climate disclosures. Sector-specific standards will also be developed by the European Commission. Key opportunities: <ul style="list-style-type: none"> Mandate the development of sector-specific sustainability disclosure standards for oil, gas, mining and 	Dossier is still subject to negotiation in parliament and then with the council so concerted pressure to highlight the importance of extractives will be crucial.	High, particularly given the wide applicability across European companies.

		<p>renewable energy companies</p> <ul style="list-style-type: none"> • Mandate project-level and contract transparency sustainability disclosures. • Improve the EU's extractive payments to governments rules (same EU directive would be amended). Currently being discussed by European parliament and Council. <p>Draft report (16 November 2021) from European parliament lead committee calls for high-risk sectors to be identified and specifically mentions mining and extractive industries</p>		
Ongoing	EU Battery Regulation	<p>Needs agreement between EU Parliament and Council. Parliament expected to agree position in February 2022. Opportunity to bring in governance and anti-corruption provisions into the EU's framework for battery minerals supply chains.</p>	<p>Dossier is still subject to negotiation in parliament and then with the council so concerted pressure to highlight the importance of governance and anti-corruption provisions (e.g. by referencing OECD standards/guidelines) will be crucial.</p>	Medium.

		Draft European parliament lead committee report was published in September 2021	There may be overlap between the EU Corporate Sustainability Reporting Directive and EU initiative on Sustainable Corporate Governance.	
Q4 2021 onwards	European Commission proposal on initiative for Sustainable Corporate Governance (new EU human rights and environmental due diligence law)	Non sector specific but highly relevant for renewable and non-renewable resource companies	Has been delayed for some time. Originally due to be launched in June 2021	Medium/high
2023 (but critical milestones in 2022 – see table above)	Development of revised EITI Standard	The EITI Standard is due to be revised in 2023 and the groundwork will need to be laid in 2022 (see key moment in table above). Major opportunity to agree changes in line with advocacy asks. Civil society and other representatives on the EITI board can work together to bring about a strong new EITI standard, potentially in these areas: <ul style="list-style-type: none"> • Climate/energy transition (critical minerals and potentially renewable energy) • Anti-corruption (including open contracting/procurement, beneficial ownership). 	See table above	High

		<ul style="list-style-type: none"> • SOE transparency (including commodity sales and resource-backed loan transparency). • Civic space 		
2021 and 2022	Development of new GRI Standard on Mining	Relatively progressive new standard on oil and gas adopted in October 2021 suggests the mining standard could be equally if not more progressive	Huge proliferation of sustainability standards	Medium
Ongoing	Task Force on Climate-related Financial Disclosures (TCFD) development	Influential voluntary, consistent climate-related financial disclosures for use by companies in providing information to lenders, insurers, investors, and other stakeholders. Regulators in the EU and UK are embedding TCFD reporting into their mandatory regimes so influencing TCFD is one way or influencing these regimes.	Huge proliferation of sustainability standards	Medium
April 2022	Dodd Frank 1504 rule amendment	<p>The US SEC is considering a review of the rules under Section 1504 of the Dodd-Frank Act to determine if additional amendments might be appropriate.</p> <p>Deficiencies in the December 2020 rule are outlined here.</p>	<p>Political support for amendments to this rule are not assured.</p> <p>A link to deterring corruption in relation to critical minerals should be made to underline the continued importance of these disclosures. USD millions have been spent on DF 1504 advocacy over the</p>	Medium

			last decade with no corporate disclosures to date	
Q4 2021 onwards	SEC rule amendments to enhance disclosures on climate-related risks and opportunities	The pre-proposal period generated great interest. If rule amendments are proposed by the SEC, this could be an important process for the NRG community to advocate on given the size of the US capital markets.	Huge proliferation of sustainability standards.	Medium/high
Q4 2021 onwards	UK establishment of economy-wide Sustainability Disclosure Requirements.	These will bring together new and existing sustainability reporting requirements for business, the financial sector and investment products. There may be opportunities to influence NRG themes within this process.	Limited to investor interest rather than wider societal interest – though these two are converging now to some degree. Not clear if these will include original and new requirements or pull together other existing requirements	Medium. Not clear if these will be original or new requirements.
2022 onwards	International Sustainability Standards Board (ISSB) sustainability standards	The International Financial Reporting Standards (IFRS) Foundation is establishing an International Sustainability Standards Board (ISSB) to develop global baseline reporting standards for sustainability, building on the work of the TCFD and other voluntary standard setters. There may be opportunities to influence NRG themes within this process.	Tends to be limited to investor interest rather than wider societal interest – though these two are converging now to some degree.	Medium/Low. Previous interactions with the IFRS suggests very limited scope for influence beyond the investor community.
2022	UK Net Zero strategy notes UK “support for	This will include the publication of a UK Critical Minerals strategy in	Expert committee does not have civil society	Medium/High

	<p>the adoption of transparent, ethical and responsible mining practices, reflecting environmental, social and governance (ESG) considerations, and are participating in the development of global standards through the British Standards Institution.”</p>	<p>2022. An Expert Committee on Critical Minerals will provide independent advice to government on the scope and content of the critical minerals strategy.</p>	<p>representation. Important to make representations to Secretary of State for Business to make the case for a seat for civil society (this is being discussed by the UK Anti-Corruption Coalition).</p>	
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Overview of opportunities

Based on the first table above, funders and practitioners may wish to deploy advocacy resources for a coordinated and integrated effort aimed at a) parts 1 and 2 of the US Summit for Democracy (linked to the OGP where applicable); b) meetings related to the development of a revised 2023 EITI Standard and; c) COP27 in Egypt. A stock take for the German G7 in early 2022 would also be advised when the priorities of the newly formed Federal government are agreed, although prospects for progress on renewables governance seem good.

The relative merit of the legislative, regulatory and policy opportunities identified in the second table will differ between different parts of the NRG community (US groups may focus on processes at the SEC; EU groups on European Directives etc). The list is non-exhaustive and could be treated as a 'living list' to be added to during the course of 2022 and beyond, including adding other regional opportunities. The EU's Corporate Sustainability Reporting Directive appears to be the legislative initiative where most opportunities lie for the NRG community to progress key asks.

In terms of asks, an updated advocacy strategy and accompanying messaging which comprises specific governance asks around **fossil fuel wind-down, critical minerals ramp-up and renewable energy acceleration** as detailed in section 2 is advised. Within governance, the key ingredients are transparency, anti-corruption policies, defending civic space, tax justice, tackling the environmental/social impacts of the natural resource sector, championing community-level justice and whistleblowers/investigations.

Overview of risks

Beyond the individual risks identified in the two tables above, the trajectory of COVID-19 remains unpredictable with new variants of concern creating challenges in unpredictable ways. The impetus to 'build back better' and 'greener' from the pandemic still holds true but many countries – including those that are rich in renewable and non-renewable resources - are still in emergency mode. Dealing with the pandemic may mean governments and policy makers do not.

The initiatives in the second table list a plethora of ESG initiatives. This proliferation of voluntary and mandatory ESG standards¹⁷ – many of which have the potential to progress natural resource governance – does present a challenge in terms of which initiatives to invest advocacy resources into. Furthermore as different jurisdictions adopt measures, on climate risk disclosure for example, there is a risk that those standards will be inconsistent.

¹⁷ [Measuring what matters: the scramble to set standards for sustainable business | Financial Times \(ft.com\)](#)

6. Conclusion: integrate renewables governance into NRG advocacy

The NRG community has a relatively sophisticated set of asks for the governance of fossil fuel wind-down and critical minerals ramp-up, with opportunities and risks for progress via the summits and policy initiatives over the next year outlined above. However, limited attention has been given to the governance of renewable energy deployment, despite the significant financial capital which is being directed to the sector to address the climate crisis.

The International Energy Agency has said that a surge in clean energy investment can bring jobs and growth. To reach net zero emissions by 2050, annual clean energy investment worldwide will need to more than triple by 2030 to around \$4 trillion, with 70% of the additional spending in emerging markets and developing economies.¹⁸ Despite the financial flows that are going and will go towards renewable energy, there has been relatively scant attention to governance despite the significant upheaval that the transition will bring.¹⁹

Without the long experience of the NRG community on extractives, the governance of both funding for renewable energy and the renewable energy sector itself risks becoming a prime candidate for “Resource Curse 2.0”. An advocacy community could be set up to take this renewable energy governance work forward, and link more closely to the distinct but related area of energy transition critical minerals governance. Many of the summits and initiatives listed in tables 1 and 2 will be relevant to taking forward work on renewable energy governance, although further mapping may be required to target other specific processes underway and other key practitioners.

Advocacy around bilateral and multilateral financing for renewable energy is also crucial in order to de-risk investments in lower income countries and to leverage private capital. This work on financing the alternatives to fossil fuel-based energy should also be integrated into this work. On this issue, the \$8.5 billion package [announced](#) at COP26 to speed up South Africa’s transition away from coal provides a very interesting model to look at closely.

Key members of the NRG community such as PWYP and NRGi have rightly focused on governance of energy transition critical minerals and have started to be vocal on the need for climate finance to be delivered. However, they have only begun to scratch the surface on the need to get governance right on renewable energy in their programme or member countries.²⁰ That being said the EITI – which includes PWYP members and NRGi – has begun to explore this issue, noting in an October 2021 [policy brief](#): “There is potential to use [the] EITI Standard and multi-stakeholder forum to address governance challenges and seize opportunities for collective action in the renewable energy sector.”²¹ In a [blog](#) in

¹⁸ [Net Zero by 2050 – Analysis - IEA](#)

¹⁹ [Green Upheaval: The New Geopolitics of Energy \(foreignaffairs.com\)](#)

²⁰ See COP26 reflections from PWYP and NRGi here: [Towards genuine climate justice : learning from COP26 and shaping PWYP’s role - Publish What You Pay / Three Steps Toward an Equitable Energy Transition | Natural Resource Governance Institute](#). See blog from NRGi President and CEO Suneeta Kaimal in January 2022 [noting](#) in the year ahead NRGi would “explore whether and how NRGi can support renewables governance”.

²¹ The policy brief goes on to say: “Key areas of relevance to address potential risks and challenges in the renewable energy industry include transparency in contracting, beneficial ownership of companies, revenues and

November 2021, EITI executive director Mark Robinson made the point more forcefully: “The rush to green energy and financing may come at the risk of overlooking the possibility of unscrupulous actors entering the renewables sector, by influencing licensing deals in wind and solar and cementing favourable deals that favour vested interests.”

For funders, lending support (financially, as a convenor or through policy advocacy) to an NRG advocacy push which brings renewable energy governance into the wider advocacy work on governance of fossil-fuel wind down and critical minerals ramp-up already being done would be an important contribution to a just and equitable energy transition.

social and environmental impact. Drawing on lessons learned from member countries and supporting companies, the EITI will explore the potential to build on relevant lessons to support improved renewable energy governance.” The challenge for EITI is that with “extractive” in its name the brand might be a limiting factor to pursue this work.