

## PWYP-US Strategic Plan 2020-2022— Summary version

### Our current world

Climate action is urgent. As the world warms at an unprecedented pace, governments and companies need to act to rapidly phase out fossil fuel production. Global oil and gas production must drop by 40% over the next decade to avoid the worst impacts of climate change.<sup>1</sup> Instead, the fossil fuel industry plans to expand production over the next 20 years.

The actions of most governments to date contradicts their stated commitments to tackling climate change. A large reason for this is the disproportionate political power of the fossil fuel industry. Therefore, achieving the Paris climate goals will require tackling the corrupting influences of the fossil fuel industry in resource-rich countries and reversing climate-regressive policies and implementing effective regulations and oversight over the extractive industries. Nowhere is this more urgently needed than in the United States, which will account for 61% of new oil and gas production over the next decade if industry plans proceed unabated. In other words, preventing supply-side build out in the US is a matter of global importance.

But the energy market is already rapidly changing and the industry knows it. Therefore, to remain viable the oil and gas industry relies on a continuous stream of subsidies and handouts from state, local and federal governments. This corporate welfare is essential for continued exploration, development and production, since much of the current plans for domestic expansion would not be possible without it. These policies erode the corporate tax base and deprive government of desperately needed revenue, endanger communities by allowing pollution and other cost cutting measures that threaten the ecosystems and public health of those living near sites of operation, and continue to drive the global climate crisis.

As always, frontline and indigenous communities are leading the effort to oppose plans for sector build-out and demand that state and local governments pursue a managed, equitable decline from fossil fuel economic dependence. This is a formidable task given the overwhelming political, economic, and cultural dominance of the industry in these areas and the ongoing attempts to prevent and even criminalize all forms of activism, public participation, and civic engagement on this issue.

Even though state and local governments forgo sizable amounts of revenue due to tax breaks, they have nonetheless become economically dependent on the revenue they do receive. This means that state and local governments that continue to prioritize fossil fuel dependency over long term economic and

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<sup>1</sup> “Production Gap Report 2019”, United Nations Environment Programme et. al. 2019. Available from: <https://www.unenvironment.org/resources/report/production-gap-report-2019>.

environmental well-being are putting their citizens at risk, given that oil dependence is not economically viable in the long term.

### **The world we want and how to get there**

Due to noncooperation from the US government and others, global plans for coordination in reaction to climate change are slow to materialize. This is because governments of the wealthiest historical emitting countries must move first while the rest of the world must get plans in place. Demanding compliance with this principle is critical -- these governments must immediately reverse their current policies and instead set ambitious targets for reducing fossil fuel production.

In order to make the progress necessary to achieve the Paris climate goals, we must first tackle political capture, corporate power and fossil-fuel related corruption in the US and other resource-rich countries around the world in order to do the “de-rigging” necessary to regain effective regulation and governance over the extractive industries and to speed up global efforts for a coordinated and equitable managed decline of fossil fuel-related emissions. As part of this task, we must ensure that the relevant companies are held accountable for their contributions to the climate crisis.

While the responsibility for supply-side draw down rests firmly with the historical emitters, all fossil fuel producing countries must acknowledge that continued reliance on fossil fuel production is unsustainable and increasingly short-sighted if not paired with a plan for managed decline. Given the urgency to transition away from fossil fuels, rapidly increasing reliance on clean energy technologies will also lead to increased mineral extraction. This extraction can cause further environmental pollution, public health issues, and many other consequences similar to the impacts of fossil fuel extraction. Therefore, if we want to undertake a truly “just” transition around the world, we must challenge and overcome some of the worst ills of the extractivist model. Otherwise, mineral extraction for new ‘green’ energy will perpetuate many of the legacies of the fossil fuel industry.

The global energy transition will require a multi-pronged approach to speed up the transition away from fossil fuels, to ensure that government revenues are committed to support a just and equitable transition for people and communities, and that citizens and civil society actively influence decisions regarding any new mineral extraction to support the energy transition. To do this, local communities in the United States and other countries must have the data, information, and political space to influence public policy making regarding extraction, transition and economic justice. Importantly, countries from the global south must get a fair share of the benefits, revenues and opportunities that the energy transition brings. In short, strong, transparent natural resource governance that puts people and communities at the heart of this agenda is desperately needed to support a truly just transition and create a new, humane and equitable global energy and economic system.

## **What PWYP-US could contribute**

This moment calls for the Publish What You Pay global movement to evolve. PWYP's Vision 2025 strategy calls on members to revisit the essential question in the chain of change—"to extract or not extract." As a powerful global network of organizations focused exclusively on oil, gas and mining governance, PWYP must acknowledge our collective duty to incorporate global demands for a just energy transition into our work and to adapt our tools to support this fight.

PWYP has a unique value to add to the global movement for climate justice because of our expertise in the economics of extraction. Many strong climate groups are successfully making the case for a just transition based on arguments of climate justice. But PWYP could help to successfully make the case for a just transition based on arguments of economic justice. In fact, the failing economics of extraction are even more convincing to some than climate-related arguments. Thus, PWYP has a crucial role to play in challenging the economics of extraction.

PWYP-US has been and will continue to be very involved in helping to shape PWYP's trajectory into energy transition work. As a leading coalition within the global network, PWYP-US will help PWYP engage in new areas of global level advocacy and campaigning related to the energy transition in a way that builds on PWYP's historical strengths and specific value add. Due to the US's outsized contributions to the current climate crisis and the urgent need for course reversal, PWYP-US must also expand our domestic portfolio. In order to do so, we endeavor to explore the following areas of work.

### ***Work Area 1: Tackling the corrupting influence of the fossil fuel industry***

- Reduce the influence of the oil and mining industries on elected and regulatory officials at the US federal level and in key fossil fuel and mineral producing states.
  - Help build a compelling public narrative through campaigns that expose, toxify and eventually disempower the major players responsible for political capture by the fossil fuel industry.
  - Engage in evidence-based advocacy to guide policy reforms at the state and federal level aiming to curb corruption, political capture, and the influence of the fossil fuel industry.
- Reverse policies in the US that are subsidizing fossil fuel and mineral exploration and production and encouraging poor resource governance practices domestically and abroad.
  - Help build public and political opposition to the wide array of 'subsidies' provided to the industry for domestic extraction as well as the US government's exporting of these harmful policies abroad through coordinated research, advocacy, and campaigns that engages a wide set of stakeholders and policymakers.

### ***Work Area 2: Finishing the job on transparency to inform a just transition***

- Secure disclosures from oil, gas and mining companies as well as governments in resource-rich countries including key information related to operations and assets, payments, climate-related financial risk and economic vulnerability.

- Advocate for full implementation of a strong payment disclosure rule for all US-listed oil, gas, and mining companies and use the disclosed data to inform domestic advocacy and campaigns.
- Build on our successful global-level campaign for mandatory payment disclosure requirements in most major capital markets to achieve new climate-related disclosures from oil and gas companies.
- Implement a climate-focused advocacy strategy to ensure that climate-related financial risk and other relevant corporate and governmental disclosures are included the next version of the EITI Standard.
- Evaluate the existing disclosures that PWYP and members have historically championed (including contracts and payments) and utilize this information in new ways to contribute to greater understanding about climate-related financial risks across countries.
- Contribute to new norms, expectations and requirements for government disclosure of public finance and revenue management policies related to oil, gas and mineral dependence and economic plans for energy transition through engagement with the International Monetary Fund (IMF) and other key international development finance institutions related to their programs, policies and positions on fossil fuel and mineral extraction, emerging areas of transparency and accountability, and commodity-backed economic planning in resource-rich countries.

***Work Area 3: Challenge the economics of extraction in support of community-led demands for a just transition***

- Bolster local opposition to the fossil fuel and mineral sector buildout and demand for a just transition away from local economic dependence on the fossil fuel and mining industries by supporting frontline community groups in key states in their efforts to uncover and fight subsidies and “bad deals.”
  - Partner with local groups to produce payment data and project-level economic analyses that can provide further evidence for local campaigns opposing specific oil and mining projects.
  - Provide research and technical support to local and state level groups fighting for oil, gas and mining fiscal reform.
  - Work in coalition with other local, state and national level groups to effectively defend and preserve space for civic engagement and public participation domestically, especially for frontline communities in oil and mineral rich areas.
  - Advocate for stronger actions and protocols by the US government in defending the civic freedoms of activists and human rights defenders abroad and work with other PWYP coalitions to leverage the influence of the US government and other powerful institutions when civic space is attacked abroad.