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Lord Callanan  
Minister for Climate Change and Corporate Responsibility  
UK EITI Champion  
Department for Business, Energy & Industrial Strategy  
1 Victoria Street  
London SW1H 0ET

By post and email

14 October 2020

Dear Minister and UK EITI Champion

**Natural resource governance: transparency and sustainability in the extractive industries (oil, gas and mining) in the context of COVID-19 and the Paris Climate Agreement**

We write as members and allies of Publish What You Pay UK (the United Kingdom chapter of the global [Publish What You Pay](#) civil society movement) and members of the [UK EITI Civil Society Network](#). PWYP works at international and country levels for transparent, accountable, equitable and sustainable outcomes from the extraction of oil, gas and solid minerals.

We welcome your recent appointment as UK EITI Champion and would like to share perspectives on current challenges facing natural resource governance and the extractive sector in the UK and abroad.

The UK Government has shown real leadership on these issues to date: championing and implementing the Extractive Industries Transparency Initiative (EITI); promoting accountability in the world's extractive industries during the UK's 2013 G8 Presidency; bringing the Reports on Payments to Governments Regulations 2014 into force as a "high-profile policy commitment";<sup>1</sup> leading international progress on oil, gas and solid minerals commodity trading disclosures since the 2016 London Anti-Corruption Conference; commitments in the UK's Anti-Corruption Strategy and Open Government Partnership National Action Plans; and as the first major economy to pass a net zero greenhouse gas emissions law.

These actions have helped make the sector increasingly accountable to citizens and have helped lay the groundwork for a just low-carbon transition. However, the task is far from complete. The current challenge of COVID-19 and the increasing urgency of the climate crisis require far-reaching action by the UK and other countries without delay:

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<sup>1</sup> BEIS (2018), [Post Implementation Review](#).

- The international extractive sector remains at high risk of corruption and mismanagement.<sup>2</sup>
- Africa's estimated annual \$88.6 billion losses from illicit financial flows originate mainly from extractive industries and are associated with poor environmental outcomes.<sup>3</sup>
- Environmental, social and human rights harms arising from inadequate transparency and oversight of the extractive sector can be severe.<sup>4</sup>
- Comprehensive global action on commodity trading transparency is still much needed.<sup>5</sup>
- Resource-dependent developing and transition countries are suffering the double blow of COVID-19 and falling global commodity prices undermining national economies.<sup>6</sup>
- The world is at present far off course in addressing the Paris 1.5°C climate goal.<sup>7</sup>
- "Signs of escalating climate change can no longer be ignored ... Impacts from extreme weather events hit the poorest countries hardest."<sup>8</sup>

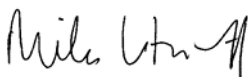
The UK is a leading jurisdiction for incorporation and securities trading by oil, gas and mining companies with a global footprint.<sup>9</sup> The UK EITI is important both to maintain global leadership on extractives transparency and to help "mainstream transparency on energy transition and climate risk".<sup>10</sup>

We therefore urge you to use your position as Minister and UK EITI Champion to make natural resource governance a priority by:

1. Maintaining and enhancing the UK's strong international commitment to extractive sector transparency and accountability, including driving the creation of climate-risk-related disclosures via the EITI and other international mechanisms and fora.
2. Helping ensure that the UK is seen to deliver substantial progress towards the country's 2050 net zero emissions target ahead of the 2021 UN Climate Change Conference (COP26) in Glasgow. This means prioritising an ambitious UK Nationally Determined Contribution (NDC), setting out in detail the domestic policies that will underpin how the UK will meet its international commitments under Paris to limit average global temperatures rises to 1.5°C.

We would welcome a chance to discuss these points with you and look forward to hearing from you.

Yours sincerely



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<sup>2</sup> Stanford Law School and Sullivan and Cromwell LLP, [Foreign Corrupt Practices Act Clearinghouse: Key Statistics](#); OECD (2014), [Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign Public Officials](#).

<sup>3</sup> UNCTAD, [Economic Development in Africa Report 2020](#).

<sup>4</sup> Transparency International U4 Anti-Corruption Resource Centre (2012), [Expert Answer: Environmental Crime and Corruption](#); RAID (2020), [Victims of Corruption](#); PWYP (2020), [Niger: human rights defenders still unjustly detained for more than six months](#).

<sup>5</sup> NRG (2018), [Generating Government Revenue from the Sale of Oil and Gas: New Data and the Case for Improved Commodity Trading Transparency](#); EITI (2020), [Reporting guidelines for companies buying oil, gas and minerals from governments](#).

<sup>6</sup> PWYP (2020), [Adapting to COVID-19 in Africa's Extractives Sector](#) and [Towards sustainable economies in oil dependent countries](#).

<sup>7</sup> "[T]he world is heading for a 3.2°C temperature rise": UNEP (2019), [Cut global emissions by 7.6 percent every year for next decade to meet 1.5°C Paris target - UN report](#).

<sup>8</sup> Germanwatch, [Global Climate Risk Index 2020](#).

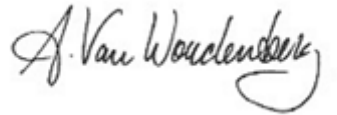
<sup>9</sup> NRG, [ResourceProjects.org database of extractive companies' payments-to-governments reporting under UK law](#).

<sup>10</sup> Chatham House (2020), [Transparency in Transition: Climate Change, Energy Transition and the EITI](#).

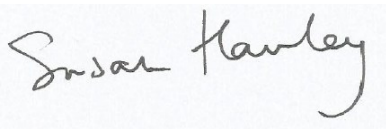
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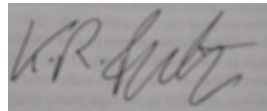
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