EITi
Extractive Industries Transparency Initiative

Engaging communities in a just transition

REPORT

EITI

**Extractive Industries
Transparency Initiative**

Ford
Foundation

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Contents

Executive summary

THE ENERGY TRANSITION is bringing about significant changes in countries which host natural resources and is reshaping the energy and mining sectors. These shifts hold both promise and challenges for communities. While increased investment can usher in new revenue streams for local governments, generate employment and fund community development, it also carries the potential to disrupt traditional ways of life and harm the environment. In other areas, dwindling investments may lead to revenue and job losses, in some instances leaving communities to grapple with the environmental consequences of past extractive activities.

Many of these opportunities and challenges are not new. But the speed and scale of change driven by the energy transition are unprecedented. This urgency intensifies the need to ensure the world achieves its decarbonisation goals in a manner that respects the rights of communities.

To better understand community priorities in the energy transition, the EITI carried out a two-year project, "Engaging communities in a just transition", with support from the Ford Foundation. Through research and engagement with diverse communities in Colombia, Ghana and Indonesia, the project sought to identify how the EITI could be leveraged to strengthen community voices and engagement in decision-making related to the energy transition.

The findings highlighted that communities located near industrial sites are experiencing the economic, social and environmental changes of the energy transition first-hand. Community members expressed a desire to understand how energy and mining projects are impacting their livelihoods in concrete terms, and emphasised the need for relevant and timely information to engage in debate on how such projects are managed.

They also emphasised a need for better consultation and involvement in the planning and implementation of energy and extractive projects and government policies impacting their lives. With the energy transition influencing government and company decision-making, communities must be given a seat at the table. Enabling communities to engage and participate in multi-stakeholder dialogue provides a pathway to an inclusive, accountable and just transition that leaves no one behind.

Communities located near industrial sites are experiencing the economic, social and environmental changes of the energy transition first-hand

FIGURE 1

Key findings and recommendations

Ensuring information is relevant to community needs

Across the project communities, stakeholders expressed a need for detailed and timely information on how the energy transition affects their lives. Stakeholders consistently said that they wanted information on local economic contributions and impacts on traditional livelihoods.

Community stakeholders said that existing disclosures – from the EITI and other public sources – rarely met their needs. This was either because disclosures did not cover the issues that mattered most to them or because information was not sufficiently detailed or up to date. In some instances, impacts fell outside the traditional scope of EITI reporting. In Indonesia, for example, some stakeholders demanded greater transparency over the processing of transition minerals. In Colombia, stakeholders expressed a need for more information on renewable energy projects.

Digging deeper on the issues that matter most to communities

- Companies can routinely disclose detailed project-level information on employment, spending on community projects and environmental and social impacts.
- Governments can systematically and regularly report data on subnational government revenues, disaggregated by project. Disclosing environmental, social and gender impact assessments can also help stakeholders understand how energy and extractive projects affect women.
- EITI multi-stakeholder groups (MSGs) can use the EITI Standard to collect project-level data on employment, social spending, subnational revenues and environmental and social impacts and disclose this through special chapters in EITI Reports or stand-alone thematic reports.

Expanding the scope of public disclosures

- EITI MSGs can expand the scope of EITI reporting to cover the renewable energy sector or mineral processing.
- Stakeholders in other sectors can refer to the EITI Standard to inform disclosure practices outside the EITI process.

Making data accessible

It is not sufficient for governments and companies to merely commit to transparency. To allow communities to understand the energy transition's impacts, disclosures must be available in formats that are easy to access, understand and use. Across the project communities, factors such as literacy and access to electricity and technology influence the effectiveness of different information formats. Stakeholders consistently mentioned that detailed technical reports and complex data portals were not suitable for their needs.

Building on existing channels

- Governments and companies can improve existing disclosure channels, such as websites, reports and community information centres, to provide more timely and relevant data.

Using verbal communication

- Governments and companies can prioritise community meetings to share information, particularly when there is a need to use local languages.
- EITI MSGs and other stakeholders can disseminate information through radio, TV and other communication channels.

Leveraging local champions

- EITI MSGs can engage local champions and community leaders to disseminate information, especially to reach marginalised groups.

Presenting data in engaging formats

- EITI MSGs and other stakeholders can draw out relevant data from technical reports or data portals and present it in engaging formats such as infographics and data visualisations.
- EITI MSGs and other stakeholders can disseminate information via social media where appropriate, especially when targeting young people.

Considering whether digital formats are appropriate

- EITI MSGs and other stakeholders can disseminate information in hard copy or verbally in contexts where digital formats are inappropriate.

FIGURE 1

Key findings and recommendations

Sustaining community participation in dialogue and decision-making

Community representatives must be involved in dialogue and decision-making on the energy transition. This means creating opportunities for community engagement across the lifecycle of mining and energy projects, from the decision to develop new projects to closure planning. It also means ensuring community perspectives feed into national and global policy decisions on the energy transition. In all instances, community engagement should be routine and sustained in the long term. Ad hoc and one-off engagements are rarely effective for ensuring meaningful community participation.

Building local capacity

- EITI MSGs and other stakeholders can support capacity development and training programmes to enhance local understanding of the energy transition and promote data access and use.

Creating sustainable local engagement spaces

- Governments and companies can leverage existing platforms such as townhall meetings and community events for regular multi-stakeholder dialogue at the community level.
- The EITI can support the establishment of subnational MSGs, where there is demand and resources.

Amplifying community voices in national and global decision-making

- Governments can facilitate the involvement of community representatives in national policy dialogue and decision-making on the energy transition.
- EITI MSGs can facilitate community participation in the EITI's national multi-stakeholder group.
- International actors can facilitate community participation in global decision-making on climate change and the energy transition.

Remains of coal are found several kilometres away from the coal extraction site in La Jagua de Ibirico, Cesar. After 30 years of mining operations, the third largest coal producer in Colombia closed its operations in 2021. This has affected the thousands of direct and indirect jobs that were previously linked to the industry.

1. Introduction

THE ENERGY TRANSITION is transforming the energy sector and reshaping the future of countries rich in natural resources. According to bp's 2023 Energy Outlook, global demand for fossil fuels is expected to decline over the next three decades, potentially dropping from around 80% of the share of primary energy to around 55% or less by 2050.[1] This shift will be accompanied by a rapid expansion of renewable energy sources, such as wind turbines, solar panels and electric vehicle batteries. Consequently, the mining industry will experience strong demand growth to supply the minerals needed for these low-carbon technologies. For some minerals, demand could increase by up to 900% by 2040.[2]

Changes in global supply and demand patterns have implications for communities living near energy and mining projects. Increased investment in some areas can lead to new revenue streams, jobs and spending on community projects, but it also poses risks to traditional livelihoods and the environment. On the other hand, some communities may experience declining investments, leading to revenue and job losses along with the need to address the environmental legacy of past extractive activities.

Many of these opportunities and challenges are not new. But the speed and scale of the energy transition is intensifying the urgency of strengthening governance in the energy and mining sectors so that the world achieves its decarbonisation goals in a manner that respects the rights of communities.

The speed and scale of the energy transition is intensifying the urgency of strengthening governance in the energy and mining sectors

The EITI's "Engaging communities in a just transition" project

To advance community priorities in the energy transition, the EITI launched the "Engaging communities in a just transition" project in 2022. This two-year initiative was implemented in four subnational areas across Colombia, Ghana and Indonesia, aiming to explore how the energy transition affects the livelihoods of communities situated near extractive and energy projects and their access to data and dialogue platforms. The project further sought to identify how the EITI could be leveraged to strengthen community voices and engagement in decision-making related to the energy transition.

Supported by the Ford Foundation, the project expanded on a scoping study which identified opportunities to broaden and deepen local civil society engagement in natural resource governance through the EITI.[3] It aligns with the EITI's commitment to support countries in using and analysing EITI data to prepare for the energy transition, in line with its strategic priorities.[4]

It also builds upon an independent evaluation that emphasised the importance of strengthening the EITI's relevance at the subnational and local levels. The evaluation recommended shifting focus from merely reporting of subnational

1   bp (2023), Energy Outlook 2023. Retrieved from https://www.bp.com/en/global/corporate/energy-economics/energy-outlook.html.

2   EITI (2022), Mission critical: Strengthening governance of mineral value chains for the energy transition. Retrieved from https://eiti.org/documents/mission-critical.

3   EITI (2020). Empowering communities in EITI implementing countries to participate in the oversight of the extractive sector. Retrieved from https://eiti.org/documents/empowering-communities-eiti-implementing-countries-participate-oversight-extractive.

4   EITI (2020), EITI strategic priorities 2021-2023. Retrieved from https://eiti.org/documents/eiti-strategic-priorities-2021-2023.

Wind turbines along the main road in La Guajira, Colombia. The area has seen a major increase in investments by renewable energy companies attracted by its wind and solar potential.

revenues and transfers and limited subnational awareness activities, to using this data to facilitate multi-stakeholder dialogue at the local level on the issues that matter most to communities.[5] The "Engaging communities in a just transition" project sought to identify concrete options for how EITI processes could be leveraged to strengthen local and community engagement in the energy transition in line with the recommendations of the independent evaluation.

Implementation and partnerships

The EITI International Secretariat collaborated with local partners and closely coordinated with local and national stakeholders to implement the project in selected communities:

COLOMBIA: The EITI partnered with the Universidad Externado and INSUCO in the departments of La Guajira and Cesar. These areas have historically hosted the country's largest coal mines and are now attracting large-scale renewable energy investments.

GHANA: The EITI partnered with the Centre for Extractives and Development Africa (CEDA) in the district of Ellembelle. The area is a hub for natural gas production, which the Ghanaian government views as a key component of its domestic energy mix and energy transition plans.

INDONESIA: The EITI partnered with Publish What You Pay and IDEA Yogyakarta in North Morowali Regency. North Morowali is an important location for the country's growing nickel industry, a mineral used in a range of low-carbon technologies.

5   EITI (2022). Independent evaluation of the EITI. Retrieved from https://eiti.org/documents/independent-evaluation-eiti.

Project components

1. Subnational data assessment – May-Sep 2022

Objective: Project consultants engage with local and national stakeholders to gain an understanding of the obstacles that communities face in accessing and using data related to the energy transition's local economic, social and environmental impacts.

To better understand what the energy transition means for communities, the EITI placed community perspectives at the heart of project implementation. The project's first component sought to understand whether existing data disclosures match up with the information needs and priorities of communities. As part of this, project consultants reviewed public data and conducted consultations with community stakeholders.

2. Stakeholder capacity building – Sep 2022-Apr 2023

Objective: Consultants deliver workshops and trainings to selected communities to discuss challenges, opportunities and solutions related to the energy transition.

In its second component, the project sought to strengthen community access to, and use of, information disclosures and dialogue platforms. To achieve this, project consultants conducted community meetings and capacity development workshops. These activities targeted community members, local civil society, government and industry representatives, as well as national EITI stakeholders. The objective was to advance understanding of the energy transition's impacts and to identify options for strengthening approaches to information disclosure and multi-stakeholder dialogue.

3. National engagement – Jan-Dec 2023

Objective: Views of local communities are represented in public debate and policymaking on the energy transition.

The project's third component sought to ensure that communities are more systematically represented in public debate and decision-making on the energy transition. Local partners developed community engagement plans in consultation with community representatives and national EITI stakeholders. These plans focused on identifying practical actions to strengthen the EITI's relevance at the community level.

4. Contribution to global policymaking – Jun-Dec 2023

Objective: Project learnings are leveraged to promote and strengthen the integration of local needs into transition planning in other countries.

The final component aims to present and share the project findings more widely across the EITI's global community. Throughout the project, the EITI's International Secretariat organised peer learning activities to share insights among stakeholders from Colombia, Ghana and Indonesia. It also presented key findings and learnings from the project at the 2023 EITI Global Conference, namely through a dedicated photo exhibition and sessions that involved local stakeholders from the project.

This report presents key findings from the project and sets out options for EITI stakeholders seeking to strengthen community access and use of data and dialogue platforms as a means of delivering a just energy transition.
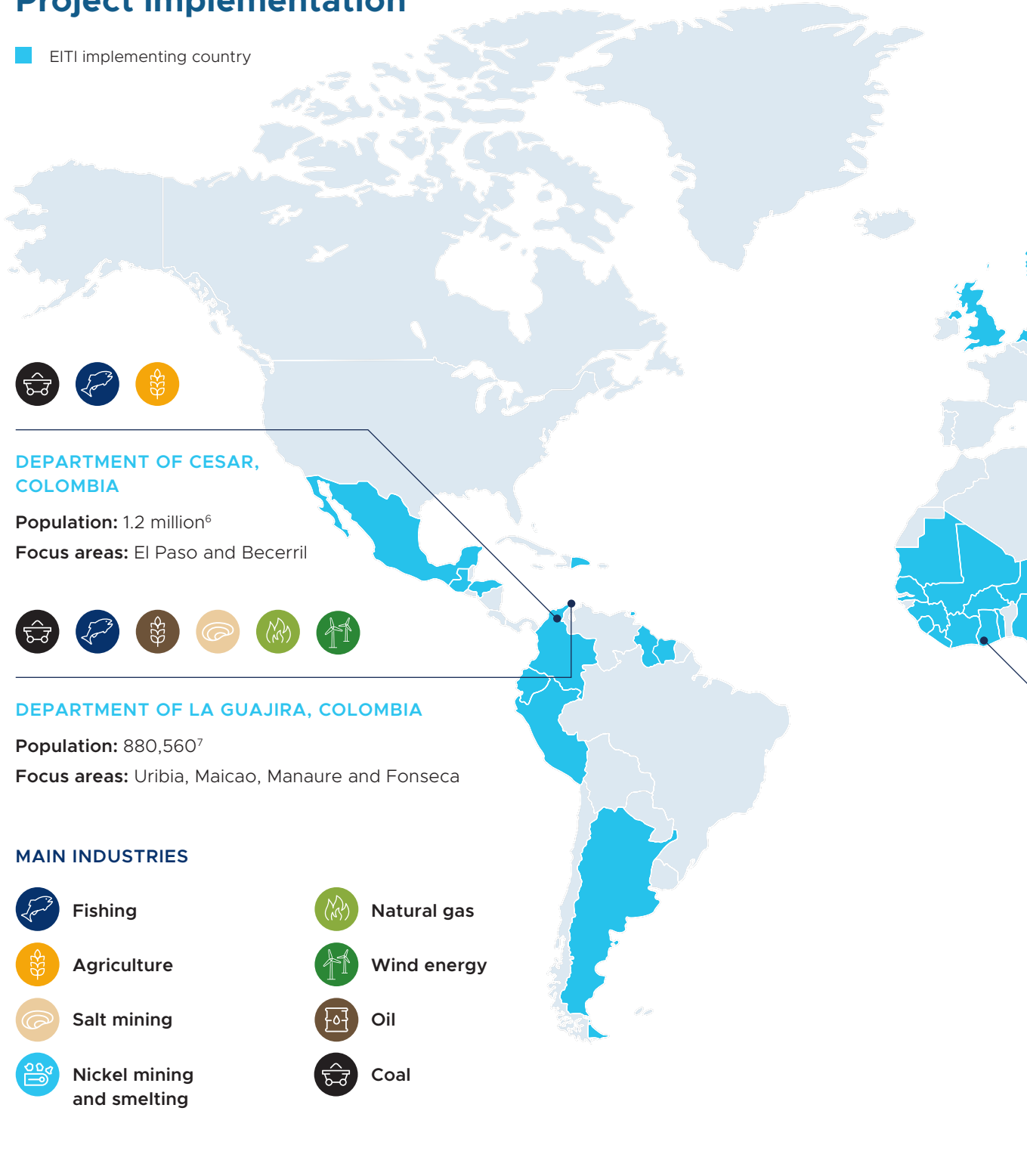
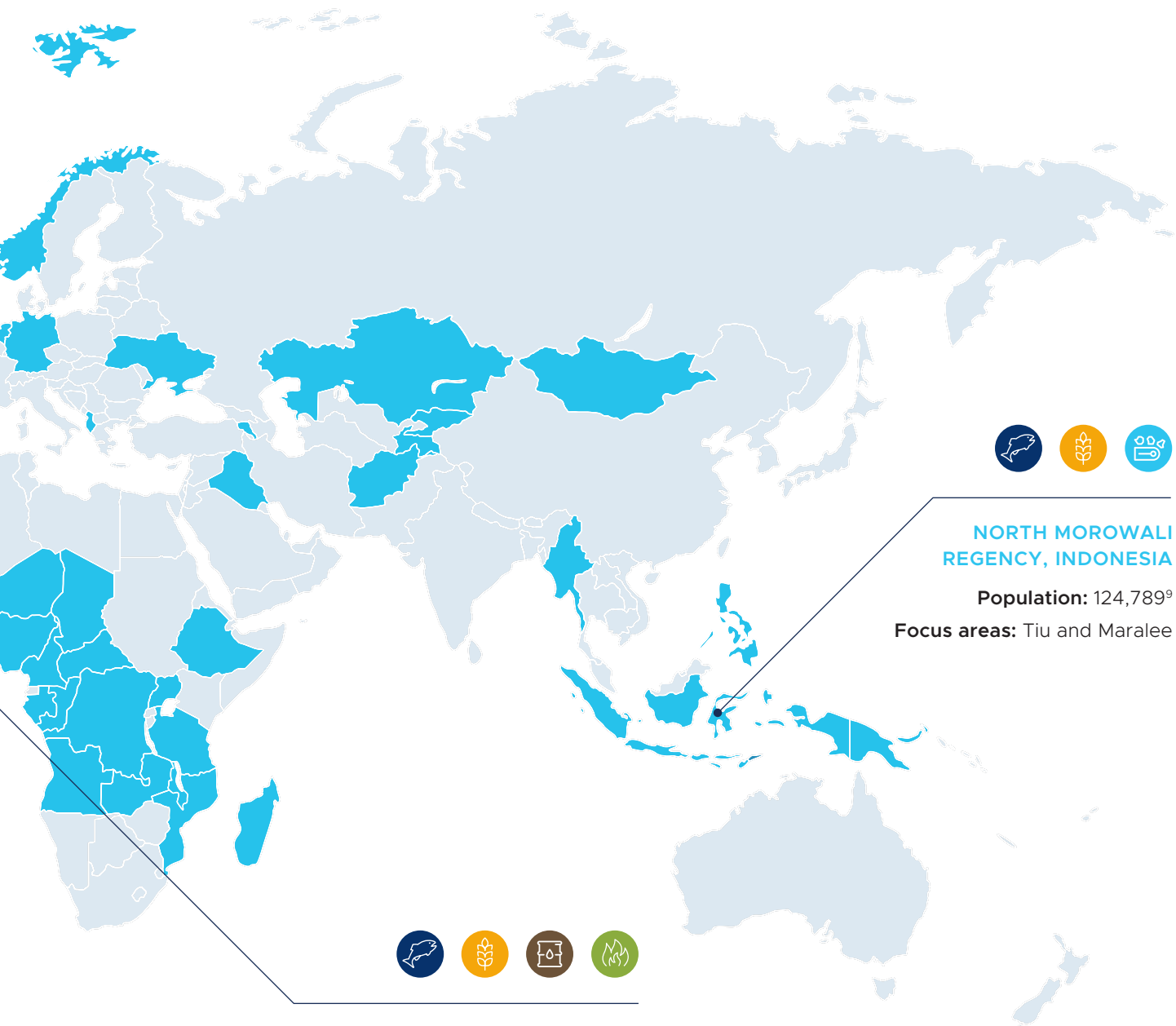A woman engages in an EITI workshop in North Morowali, Indonesia.

FIGURE 2

Project implementation

■ EITI implementing country

DEPARTMENT OF CESAR, COLOMBIA

Population: 1.2 million[6]

Focus areas: El Paso and Becerril

DEPARTMENT OF LA GUAJIRA, COLOMBIA

Population: 880,560[7]

Focus areas: Uribia, Maicao, Manaure and Fonseca

MAIN INDUSTRIES

- Fishing
- Agriculture
- Salt mining
- Nickel mining and smelting
- Natural gas
- Wind energy
- Oil
- Coal

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6   Departamento Administrativo Nacional de Estadística (2018), Censo Nacional de Población y Vivienda 2018. Retrieved from https://www.dane.gov.co/index.php/estadisticas-por-tema/demografia-y-poblacion/censo-nacional-de-poblacion-y-vivenda-2018.

7   Ibid.

NORTH MOROWALI REGENCY, INDONESIA

Population: 124,789[9]

Focus areas: Tiu and Maralee

ELLEMBELLE DISTRICT, GHANA

Population: 120,893[8]

Focus areas: Anokyi and Sanzule

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8   Ellembelle District website (2023). Retrieved from https://www.ghanadistricts.com/Home/District/204.

9   Badan Pusat Statistik (2020), Population Census 2020. Retrieved from https://sensus.bps.go.id/main/index/sp2020.

2. Community profiles

The communities involved in the "Engaging communities in a just transition" project were selected to reflect a diverse range of dynamics and impacts related to the energy transition – from coal mining and renewables investments in Colombia, to oil and gas facilities in Ghana, to nickel mining and smelting in Indonesia. All are situated in remote areas with limited access to social, economic and health services or formal employment opportunities. Local people in three of the four communities primarily speak local or indigenous languages.

A villager whose plantation land was taken over by a company in North Morowali, Indonesia.
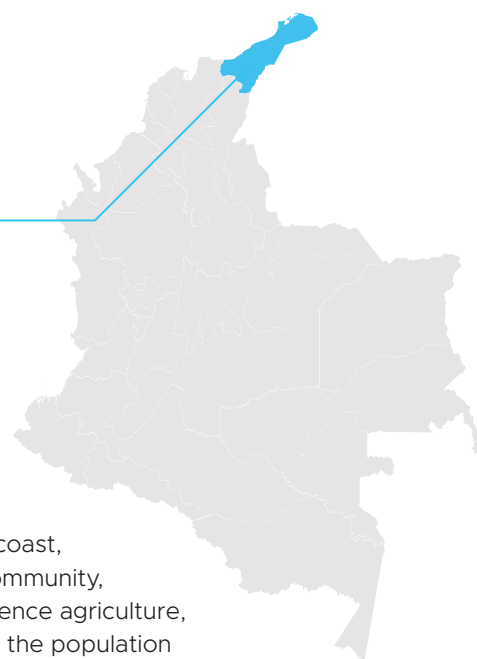
La Guajira, Colombia

DEPARTMENT OF LA GUAJIRA

Focus areas:[10]
Uribia (pop. 160,711), Maicao (pop. 159,223),
Manaure (pop. 74,528), Fonseca (pop. 40,852)

Main industries:
Fishing, agriculture, salt mining, natural gas, coal

The department of La Guajira, located on Colombia's Caribbean coast, is a remote, arid region that is home to the Wayúu indigenous community, whose livelihoods have traditionally depended on fishing, subsistence agriculture, hunting and salt mining. Poverty rates are high and large parts of the population lack access to electricity.[11] Wayúu social structures are based on family groups or clans, called *eirukuu*, which each identify with a specific territory they consider to be a sacred ancestral space.[12] Governance of the clans, which operate under a matrilineal system, is not based around a single leader and there is no unified structure bringing all Wayúu clans together. This has implications for engagement between communities and companies investing in the area.

For decades, La Guajira's economy has been dominated by natural gas extraction and coal mining. The department is home to Cerrejón, one of the world's largest open pit coal mines, as well as major transport and export infrastructure linked to the coal industry. As of 2020, Cerrejón employed more than 5,000 people, the vast majority of whom come from La Guajira and other departments on Colombia's Atlantic coast. Approximately 200 Cerrejón employees belong to Wayúu or other indigenous groups.[13]

While coal mining plays an important role in La Guajira's economy, the industry has historically been a source of tension. Civil society organisations have accused Cerrejón of contributing to the forced displacement of Wayúu and Afro-Caribbean communities, as well as air and water pollution. The mine's owners deny the allegations.[14]

"The community has created relationships and is dependent in many ways on this wind farm, and we don't know what will happen when it is dismantled."

– Community leader

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10   Departamento Administrativo Nacional de Estadística (2019), Resultados Censo Nacional de Población y Vivienda 2018. Retrieved from https://www.dane.gov.co/files/censo2018/informacion-tecnica/presentaciones-territorio/190816-CNPV-presentacion-La-Guajira-Riohacha.pdf.

11   DANE (2020). La Informacion del DANE en la toma de decisiones de los departamentos: La Guajira. Retrieved from https://www.dane.gov.co/files/investigaciones/planes-desarrollo-territorial/050220-Info-Gobernacion-La-Guajira.pdf.

12   Junta Mayor Autónoma de Palabreros Wayuu (2012), Plan Especial de Salvaguarda del Sistema Normativo Wayuu-Aplicado por el Pütchipü'üi. Retrieved from https://patrimonio.mincultura.gov.co/SiteAssets/Paginas/PLAN-ESPECIAL-DE-SALVAGUARDA-DEL-SNW-SISTEMA-NORMATIVO-WAYUU-Aplicado-por-el-P%C3%BCtchip%C3%BC%E2%80%99%C3%BCi/02-El%20sistema%20normativo%20way%C3%BAu%20aplicado%20por%20el%20palabrero%20Putchipu%E2%80%99ui-%20PES.pdf.

13   Cerrejón (2022). Sustainability Report 2022. Retrieved from https://www.cerrejon.com/en/sustainability/sustainability-reports.

14   Business and Human Rights Resource Centre (2021). Colombia: NGOs denounce BHP, Glencore and Anglo American to OECD National Contact Point in Ireland, England, Australia and Switzerland; Cerrejón comments. Retrieved from https://www.business-humanrights.org/en/latest-news/colombia-ngos-denounce-bhp-glencore-and-anglo-american-to-oecd-national-contact-point-in-ireland-cerrej%C3%B3n-comments/.

PHOTO CREDIT: NELSON DAVID ALONSO CHARRY

For Wayúu women, traditional weaving is an important cultural practice. The sale of handbags and backpacks provides income for women in the region.

While coal has been a mainstay of La Guajira's economy, the industry's future is uncertain. Cerrejón's owner foresees a significant decline in production from 2030 onwards and plans to relinquish mining areas to the government beginning in 2034.[15]

Meanwhile, La Guajira has seen a major increase in investments by renewable energy companies attracted by the area's wind and solar potential. In 2004, the Jepirachi wind farm was built, the first of its kind in Colombia. As of 2022, there were 23 renewable energy projects in La Guajira (17 onshore wind, two offshore wind and four solar) in different phases of development.[16]

But tensions have arisen between renewable energy companies and local communities. As wind turbines are installed on their lands, many members of the Wayúu community are concerned about their impacts on land and biodiversity. Conflict has also arisen over the manner in which some renewable energy companies sign agreements directly with individual community leaders.

In May 2023, the Italian energy company Enel indefinitely suspended the construction of the Windpeshi wind project after community protests and blockades had repeatedly disrupted construction. Difficulties in carrying out community consultations (such as mandatory prior consultation with indigenous communities) and environmental approval processes have kept several other renewable energy projects in La Guajira on hold.[17]

"Land tenure in the Wayúu social structure and negotiation with companies is a complex element that can create conflict between communities."

– Traditional "Palabrero" community leader

15   Glencore (2021). Facts on Cerrejón. Retrieved from https://www.glencore.ch/dam/jcr:3741a8a4-af02-48a0-9971-e256deb2e72d/Facts%20on%20Cerrejon%202021%2010%2022_ENG.pdf.

16   Unidad de Planeación Minero Energética (2022). Informe de avance proyectos de generación Julio 2022. Retrieved from: https://www1.upme.gov.co/siel/Seguimiento_proyectos_generacion/Informe_Avance_proyectos_Generacion_Julio2022.pdf.

17   Reuters (2023). Enel suspends Colombia wind farm construction after years of protests. Retrieved from https://www.reuters.com/business/energy/enel-suspends-colombia-wind-farm-construction-after-years-protests-2023-05-24/.
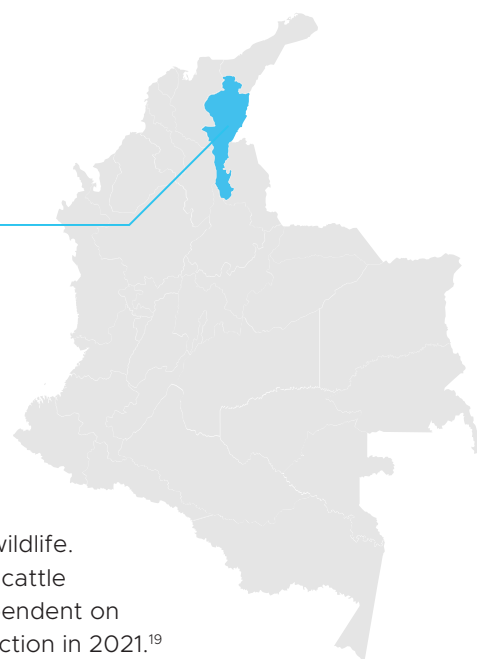
Cesar, Colombia

DEPARTMENT OF CESAR

Focus areas:[18]
El Paso (pop. 24,292), Becerril (pop. 13,584)

Main industries:
Coal, fishing, agriculture

The department of Cesar, located in Colombia's Caribbean region, is rich in natural resources, forests, water supplies and wildlife. Traditional livelihoods are supported by agriculture, fishing and cattle farming. Since the 1980s, Cesar's economy has been highly dependent on coal mining, which accounted for 64% of Colombia's coal production in 2021.[19] The "Engaging communities in a just transition" project focused on the municipalities of El Paso and Becerril, which are located in an area known as the "mining corridor".

The coal industry supports thousands of jobs and represents an important revenue source for local government.[20] In 2022, Drummond Ltd., Colombia's largest coal exporter, employed more than 11,000 workers and 6,000 contractors.[21] In 2019, the Colombian government issued the company a 20-year extension on its mining contract at La Loma.[22]

But the future of Cesar's coal industry is uncertain. While global coal consumption reached an all-time high in 2022, demand is expected to fall by 2030.[23] In Cesar, several coal miners have ceased operations, creating challenges for families whose livelihoods depend on the industry. In 2021, Glencore's subsidiary Prodeco handed its coal mining concessions back to the Colombian state, leaving 5,000 people unemployed and resulting in a loss of an estimated USD 4 million in taxes and royalties for municipalities.[24]

At the same time, the energy transition is creating opportunities for local people. Cesar has attracted interest from renewable energy companies due to its high solar potential and availability of land. The department is set to host one of Colombia's largest solar power plants, now under construction, which is

Cesar has attracted interest from renewable energy companies due to its high solar potential and availability of land

18   Municipios de Colombia. Municipios del departamento de Cesar. https://www.municipio.com.co/departamento-cesar.html.

19   CNV International (2022). Colombia, Labour Prospects of Energy Transition in Coal Mining. Retrieved from https://www.cnvinternationaal.nl/en/topics/value-chains/outsourcing-metals-supply-chain.

20   Ibid.

21   Drummond Ltd. 2022 Performance Figures. Retrieved from https://www.drummondltd.com/.

22   Reuters (2019). Colombia extends Drummond contract on coal mine for 20 years. Retrieved from https://www.reuters.com/article/colombia-coal-drummond-idINL1N1ZO286.

23   IEA (2023). Global coal demand set to remain at record levels in 2023. Retrieved from https://www.iea.org/news/global-coal-demand-set-to-remain-at-record-levels-in-2023. BP (2023). Energy Outlook 2023. Retrieved from https://www.bp.com/en/global/corporate/energy-economics/energy-outlook.html.

24   Mining.com (2022). Colombian municipalities affected by exit of Glencore's subsidiary demand smooth transition into non-mining activities Retried from https://www.mining.com/colombian-municipalities-affected-by-exit-of-glencores-subsidiary-demand-smooth-transition-into-non-mining-activities/.

PHOTO CREDIT: CORPORACIÓN LA ROTATIVA

Cattle ranching is one of the main economic activities in Cesar.

anticipated to produce approximately 44% of the country's current solar energy production.[25] Cesar also has deposits of metals used for renewable energy technologies, such as copper.

Cesar is now at a crossroads and working towards a diversified economy. But communities have expressed concern about environmental damage and potential harm to traditional ways of life from growing renewables investments. Although municipal governments have historically used revenues from the extractive sector to invest in public infrastructure, some stakeholders feel that spending decisions have not always reflected community needs. With the recent closure of mining projects, communities have expressed concern over rehabilitation planning and are worried that local priorities are not being taken into account. Allegations of human rights abuses associated with coal mines have created distrust between communities, companies and the government, and some local stakeholders feel that they are not being consulted on key decisions, such as the granting of licenses for renewable energy projects in their community.[26]

25   La República LR (2021). La ANM otorgará 15 nuevos títulos mineros en Cesar para iniciar etapa de exploración. Retrieved from https://www.larepublica.co/economia/la-anm-otorgara-15-nuevos-titulos-mineros-en-cesar-para-iniciar-etapa-de-exploracion-3192947.

26   Business and Human Rights Resource Centre (2021). Colombia: SOMO report analyses impacts of coal mining by Drummond, Glencore and Prodeco in Cesar region and calls for European energy companies to cease purchasing coal from these mines. Retrieved from https://www.business-humanrights.org/en/latest-news/colombia-somo-report-analyses-impacts-of-coal-mining-by-drummond-glencore-and-prodeco-in-the-cesar-department-and-calls-for-european-energy-companies-to-cease-purchasing-coal-from-these-mines/.

Ellembelle, Ghana

ELLEMBELLE DISTRICT

Focus areas:[27]
Anokyi (pop. 1,678), Sanzule (pop. 2,345)

Main industries:
Agriculture, fishing, oil and gas

In the coastal settlements of Anokyi and Sanzule, located in Ghana's Ellembelle District, community livelihoods have historically depended on farming and fishing. Over the past decade, the area has transformed into a hub for Ghana's oil and gas industry. Anokyi is located 2.5 kilometres from a gas processing plant operated by the state-owned Ghana National Gas Company, which receives gas from the offshore Jubilee and TEN fields. It also hosts a liquid petroleum gas terminal, while Sanzule hosts a facility operated by Eni Ghana Exploration and Production Ltd that receives oil from the Offshore Cape Three Points field.

The oil and gas industry has reshaped the communities. In Anokyi, farmlands were acquired for the construction of the processing plant and a pipeline that takes gas to the town of Aboadze, approximately 110 kilometres to the east. Since operations commenced at the gas processing plant in 2014, community members have expressed concern about the noise and heat coming from the plant. In Sanzule, farmlands were acquired for the construction of the oil receiving facility, which has impacted more than 200 families and disrupted fishing activities. In both communities, livelihoods have further come under pressure due to the rising cost of living, driven by people moving to the area to work in the oil and gas industry.

Yet the industry has also brought benefits. Oil and gas companies have supported upgrades of community health centres, schools, roads and water and sanitation facilities. Social spending by the companies has funded training and support services focused on agriculture, livestock and fisheries. Some community members are employed at the oil and gas facilities. Others, including women, run small businesses that provide goods and services to the companies and their workers. In Sanzule, a Livelihood Restoration Plan was implemented to promote income-generating activities. Despite these efforts, some stakeholders voiced concerns over a perceived lack of consultation, limited employment opportunities and insufficient compensation.

"Government and agricultural officials always point to climate change as a contributory factor to recent decline in food production. Won't the energy transition also affect agricultural productivity in our communities?"

– Community leader in Sanzule

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27   Ellembelle District Assembly (2022). District Medium-Term Development Plan (2018-2021). Retrieved from https://ndpc.gov.gh/media/WR_Ellembele_MTDP_2018-2021.pdf.

Aerial photograph of a facility that converts natural gas into liquefied petroleum gas for Ghana's domestic markets.

It is unclear what the future holds for Ellembelle's oil and gas facilities. Ghana's National Energy Transition Framework acknowledges that shifts in global demand for fossil fuels present risks to the country's oil and gas industry.

The plan highlights the need for an equitable and just transition and calls for increased investments in solar and wind. But it also envisages a major role for natural gas in meeting growing domestic energy needs until at least the mid-2050s.[28] The government plans to further consult subnational stakeholders in implementing its transition plans.

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28   Government of Ghana (2022). National Energy Transition Framework (2022-2070). Retrieved from https://www.energymin. gov.gh/sites/default/files/2022-11/National%20Energy%20Transition%20Framework%20Abridged%20Version.pdf.

North Morowali, Indonesia

NORTH MOROWALI REGENCY

Focus areas:[29]
Tiu (pop. 1,595), Maralee (pop. 549)

Main industries:
Agriculture, fishing, nickel mining and smelting

Tiu and Maralee are two villages situated in the remote region of North Morowali on Indonesia's Sulawesi Island. Inhabitants of these villages rely predominantly on small-scale agriculture and fishing for their traditional livelihoods.

The impact of the global energy transition is evident in these areas. Indonesia accounts for more than a third of the world's nickel production, a mineral that is widely used in low-carbon technologies such as electric vehicle batteries. North Morowali hosts some of the country's largest deposits and more than 30 nickel mining licenses.[30] Tiu and Maralee are located near a smelter operated by PT. Gunbuster Nickel Industry, which has the capacity to produce 1.8 million tonnes of ferronickel per year.[31]

The Indonesian government plans to establish Indonesia (and Central Sulawesi in particular) as a battery manufacturing hub and a major player in the electric vehicle industry. This development is expected to drive further growth in North Morowali's nickel sector. To achieve its objectives, the government wants to establish an integrated domestic supply chain for electric vehicles, including mining, vehicle manufacturing and battery recycling. To this end, it has prohibited the export of nickel ore to incentivise domestic smelting and is supporting the development of industrial parks, such as the Indonesia Morowali Industrial Park.

Currently, approximately 225 people from Tiu and Maralee are employed in the nickel sector, and the industry's expansion has also benefitted some small informal businesses, such as market vendors.

However, labour relations have faced challenges. In early 2023, violent clashes erupted at a smelter over allegations of unsafe working conditions and tensions between local and foreign workers.[32] Community members have also expressed concerns about perceived local inflation driven by the mining industry's growth and have voiced dissatisfaction with consultation on plans for new nickel mines and processing facilities. Some said that they want more information on companies' environmental and social obligations, emphasising the need for greater transparency and community involvement in the decision-making process.

"If it rains, the community's water sources are exposed to mining mud. My garden failed to harvest because it was submerged in water."

– Community leader in Maralee Village, North Morowali District

29   Central Bureau of Statistics Office of North Morowali (2022), North Morowali in Numbers.

30   Ministry of Energy and Mineral Resources (2022), ESDM Geoportal. Retrieved from https://geoportal.esdm.go.id/.

31   PT. Gunbuster Nickel Industry (2021). Inaugurated by President Jokowi, PT GNI Smelter Factory in Morut Absorbs 60,000 Local Workers. Retrieved from https://gunbusternickelindustry.com/en_us/2021/12/27/iure-dolor-ut-consectetur-et-sed-odit/.

32   Jakarta Post (2023). Police Probe Deadly Clash at Nickel Smelter. Retrieved from https://www.thejakartapost.com/indonesia/2023/01/16/police-probe-deadly-clash-at-nickel-smelter.html.

Aerial photo of a waterway, which some community members say has been polluted by mining activities near Lake Tiu.

Furthermore, community members have raised concerns about the mining industry's impact on their traditional livelihoods. They report mining activities encroaching on forests, blocking waterways, polluting water supplies, reducing fish populations and harming wildlife. In 2022, these concerns led to local protests.[33]

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33   Poso News (2022). Bupati Tinjau Lokasi Tambang PT. SSP yang Berpolemik Dengan Warga. Retrieved from
       https://posonews.id/2022/02/17/bupati-tinjau-lokasi-tambang-pt-ssp-yang-berpolemik-dengan-warga/.

Women and children clean clams collected from the Laa River in North Morowali. Some villagers say that nickel mines are polluting the river.

3. Key issues and lessons learned

Across the diverse group of communities involved in the "Engaging communities in a just transition" project, common issues emerged on the energy transition's impacts and considerations for community engagement. Respecting the priorities and needs of communities is essential to ensuring well-informed, inclusive and accountable decision-making on the energy transition. Access to information is critical to empowering communities in navigating the opportunities and challenges of a changing industry. Communities need access to information that is relevant to them. This information must be up to date, disaggregated to an appropriate level of detail and disclosed in formats that communities can easily access and comprehend.

Communities must then be empowered to use information effectively to take part in dialogue and decision-making on the energy transition. This involves making sure that subnational stakeholders have the capacity to understand and use data. Additionally, governments and companies should create spaces for meaningful community participation across the lifecycle of energy and mining projects, as well as in national and global decision-making on the energy transition.

Many of the opportunities and challenges facing communities, and the potential solutions for strengthening transparency and multi-stakeholder dialogue, are not new. But the pace and scale of change driven by the energy transition are unprecedented and are intensifying the need to strengthen governance in the energy and mining sectors.

This section brings together key findings from the "Engaging communities in a just transition" project and sets out recommendations for ways in which the EITI and other stakeholders can advance the priorities and needs of communities in the energy transition.

Ensuring information is relevant to community needs

There was limited awareness of the energy transition as a concept among communities. Few stakeholders connected their experiences to global trends and few framed their information needs in this regard. What mattered to community members were the tangible ways in which the energy and mining sectors were reshaping local livelihoods through their economic, social and environmental impacts. Many felt that government and company decisions tended to overlook local perspectives. To address this gap, communities expressed a need for better access to detailed and timely information on how the energy transition affects their lives.

Impact on local economies

Information on local economic impacts was top of the priority list for most community members, who said that they wanted to improve their understanding of the contributions that mining and energy companies were making to local economies. Across the project communities, there was high interest in information on employment and company spending on community projects. In most communities, stakeholders also expressed a high interest in data on revenues collected by local governments. However, the availability of this data from EITI reporting and other sources varied.

Respecting the priorities and needs of communities is essential to ensuring well-informed, inclusive and accountable decision-making on the energy transition

FIGURE 3

Data demands and availability in the project communities

🟢 High   🟡 Medium   🔴 Low

Cesar, Colombia[34]

Type of information	Community interest	Availability of EITI data	Availability of data from other sources
Jobs and opportunities for local businesses	🟢	🟡	🟢
Community spending by companies	🟢	🟢	🟢
Subnational government revenues	🟡	🟢	🟢

La Guajira, Colombia

Type of information	Community interest	Availability of EITI data	Availability of data from other sources
Jobs and opportunities for local businesses	🟢	🟡	🟡
Community spending by companies	🟢	🟡	🟡
Subnational government revenues	🟢	🔴	🟢

Ellembelle, Ghana

Type of information	Community interest	Availability of EITI data	Availability of data from other sources
Jobs and opportunities for local businesses	🟢	🔴	🔴
Community spending by companies	🟢	🔴	🟡
Subnational government revenues	🟢	🟡	🔴

North Morowali, Indonesia

Type of information	Community interest	Availability of EITI data	Availability of data from other sources
Jobs and opportunities for local businesses	🟢	🔴	🔴
Community spending by companies	🟢	🔴	🔴
Subnational government revenues	🟢	🟡	🟢

34   Based on qualitative assessments by the consultants of the "Engaging communities in a just transition" project.

Gender dimensions of the energy transition on local economies

The "Engaging communities in a just transition" project highlighted some of the gender dimensions of the energy transition's local economic impacts. In Ellembelle, for example, male community members were more likely to be employed at oil and gas installations, while women were more likely to be involved in informal economic activities such as selling food and water to workers. In North Morowali, less than 6% of the community members employed at local nickel mines were women. As in Ellembelle, the livelihoods of many women were nonetheless linked to the extractive industries, particularly through informal trading activities as market vendors.

These differences mean that men and women face different opportunities and challenges. The informal nature of women's employment may, for example, mean that they are not considered in transition and retraining plans in declining industries. Public disclosure of gender-disaggregated employment data is critical to understanding and mitigating these challenges. However, access to such data varies greatly. In North Morowali, for example, the government only discloses detailed employment data upon request, while in La Guajira, one of the major extractive companies discloses gender-disaggregated employment data directly on its website.

Company and government obligations

Community representatives frequently emphasised the need for information about the obligations of government and companies to better hold them to account. In North Morowali, for example, stakeholders said that they were aware of the total amount of social payments received by the village government. But they did not know whether these payments fulfilled legal or contractual obligations, highlighting the need for disclosure of laws, regulations and contracts. Stakeholders also reported that they lacked information on the rules governing spending decisions by the village government, as well as on Indonesia's revenue sharing mechanism and its implications for subnational revenues. While EITI reporting explains revenue distribution in general terms, it sometimes lacks detail on how it is applied in practice.

In Cesar and La Guajira, stakeholders reported having no information on the revenue obligations and local employment commitments of renewable energy companies. In La Guajira, stakeholders also emphasised the need for information on free, prior and informed consent (FPIC) requirements and their implementation by renewable energy companies, as well as forward-looking information on project development plans.

Impact on traditional livelihoods and the environment

Communities were also interested in information to better understand potential impacts on traditional livelihoods, especially in relation to land and the environment. In Ellembelle, for example, stakeholders said that they wanted more information on the impacts of gas flaring, as well as on land acquisition and compensation payments by gas companies. Similarly, in La Guajira, community members wanted more data on payments for land use rights by renewable energy companies. In Cesar, community members wanted water data as a basis for engaging in dialogue with government and industry around the mitigation of impacts. In North Morowali, stakeholders wanted access to environmental data to monitor the impact of mining operations.

FIGURE 4

Demand and availability of data on social and environmental impacts

	Community interest	Availability of EITI data	Availability of data from other sources
Cesar, Colombia	🟢 High	🟡 Medium	🟡 Medium
La Guajira, Colombia	🟢 High	🔴 Low	🟡 Medium
Ellembelle, Ghana	🟢 High	🔴 Low	🔴 Low
North Morowali, Indonesia	🟢 High	🔴 Low	🟡 Medium

Providing detailed and timely information

Local stakeholders noted that information is often not sufficiently detailed for it to be useful. In Ellembelle, community members reported that companies regularly disclosed information on social projects and local employment on notice boards. But community members wanted further information, such as project-level data showing the proportion of local workers at different levels of seniority and whether local people were being hired into permanent or temporary roles.

Community members also wanted more detail on social spending, including information on the value of individual community projects and how those projects were selected, as well as data on subnational revenues broken down by company and revenue stream. In Cesar, stakeholders demanded detail on the representation of local workers at different occupational levels and information on pay gaps between local and foreign workers.

More timely information could help strengthen the negotiation power of communities

31

Stakeholders noted that the time lag of EITI reporting reduces its relevance. More timely information could help strengthen the negotiation power of communities. Routine, systematic disclosure on government and company platforms can support this by making it easier to ensure that data is published as soon as it becomes available.

But systematic disclosures may not always translate into timely data. In Indonesia, for example, stakeholders reported that various national and subnational government websites present relevant data but that this is often not up to date, thus undermining its usefulness. For systematic disclosures to work for communities, governments and companies must maintain and update information platforms.

Forward-looking data for preparedness

The energy transition is driving shifts in the energy and mining sectors, and many communities are uncertain about how this will affect their national and local economies in the long term. Data reported through the EITI can support analysis and be used to provide forecasts of expected revenues and production, so that countries and communities can prepare for what lies ahead. Ghana's National Energy Transition Framework envisages a major role for natural gas in the domestic energy mix until at least the 2050s, but also acknowledges that an anticipated global decline in oil and gas demand could present challenges for employment, economic activity and government revenues. However, current public disclosures do not shed light on how those changes might impact communities in the future. In La Guajira and Cesar, workers and community members said that they lacked information on closure and transition plans to help mitigate potential challenges arising from declining coal production.

The energy transition is driving shifts in the energy and mining sectors, and many communities are uncertain about how this will affect their national and local economies in the long term

FIGURE 5

Demand and availability of disclosure of national policy on energy transition

● High　● Medium　● Low

	Community interest	Availability of EITI data	Availability of data from other sources
Cesar, Colombia	High	Medium	Medium
La Guajira, Colombia	High	Low	Low
Ellembelle, Ghana	High	Medium	Low
North Morowali, Indonesia	Medium	Low	Medium

A woman stands in front of her house in Cesar, Colombia. The house has cracked due to the blast wave produced by detonations at a nearby mine, which has since closed its operations.

FIGURE 6

Recommendations: Ensuring disclosures are relevant to community needs

Digging deeper on the issues that matter most to communities

Across the selected communities, stakeholders consistently demanded timely project-level information to help them understand the tangible impacts that the energy and mining industries have on their livelihoods. This includes data on employment, social spending, subnational revenues, and environmental and social impacts. While much of this information is already covered in EITI reporting, it is often not sufficiently detailed. Section 4 provides an overview of how EITI multi-stakeholder groups (MSGs) can draw on specific EITI Requirements to address community priorities in their reporting. Where relevant, the EITI should disclose gender-disaggregated data and, where possible, disclosures should clearly describe any gaps between legal or contractual obligations and practice. Leveraging routine and systematic disclosures by governments and companies can make it easier to ensure this data is timely and sufficiently detailed.

Expanding the scope of public disclosures

The energy transition is reshaping which industrial activities are impacting communities the most. MSGs could therefore consider expanding the scope of their reporting to include adjacent sectors or areas of the value chain that are relevant to community concerns. In Indonesia, for example, some stakeholders suggested that EITI reporting should cover nickel smelters. In Colombia, some stakeholders suggested that the EITI should cover the renewable energy sector. Several countries already go beyond the EITI Standard by including information on their forestry and renewable energy sectors. Where MSGs decide not to expand the scope of EITI reporting, there may still be opportunities to share lessons with stakeholders in other sectors inform disclosure practices outside the EITI process.

Community members expressed interest in data highlighting the environmental and social impacts of the energy transition in a community meeting in Uribia, La Guajira.

Making data accessible

For relevant information on the energy transition's impacts to reach communities, it is not sufficient for government and companies to merely commit to transparency. They must proactively disclose information in formats that are accessible and disseminated at the community level. This section presents findings on data accessibility, awareness and comprehensibility in the selected communities.

Ensuring public access

Across the selected communities, key information was publicly available but often difficult to access. In some instances, governments share certain types of data solely upon request. This is the case with employment data in Indonesia; data on mandatory social payments by companies in Colombia; and environmental monitoring reports in Ghana.

Often, corporate disclosures provided a more useful source of data. In Cesar and La Guajira, stakeholders said that larger companies had well-established channels for disseminating information to communities, especially on employment and social spending. Sustainability reports, information centres and community engagement and outreach activities were cited as ways in which companies were communicating information to communities.

Raising awareness of the EITI and data sources

Despite the relevance of some information to communities, awareness and use of data by local stakeholders was generally low. The exception to this was Cesar and La Guajira, where there was some use of existing disclosures by community members and civil society representatives.

Community use of data

🟢 High   🟠 Medium   🔴 Low

Type of information	Cesar, Colombia	La Guajira, Colombia	Ellembelle, Ghana	North Morowali, Indonesia
Policy framework for the energy transition	🟠	🔴	🔴	🔴
Legal and institutional framework for the extractive industries	🔴	🔴	🔴	🔴
Licenses, contracts and company ownership	🟠	🔴	🔴	🔴
Production volumes and value	🟠	🔴	🔴	🔴
Community investments by extractive companies	🟠	🔴	🔴	🔴
Local jobs and opportunities for local businesses	🟠	🟠	🔴	🔴
Environmental and social impacts	🟠	🟠	🔴	🔴
Subnational budgets	🟠	🔴	🔴	🔴
Subnational revenue flows	🟠	🟠	🔴	🔴

Community awareness of existing disclosures was generally low. In North Morowali, community members said that they lacked even basic information on mining operations; some said that the only information they had was the company name displayed at the entrance to mining facilities. Community members had not heard of the EITI but were enthusiastic about its potential in providing them with information, including on the geographical boundaries of mining areas. Similarly, in Ellembelle, awareness of EITI disclosures and other public sources such as reports by the Public Interest Accountability Committee was limited.

In La Guajira, government websites provide quarterly production and revenue data for the mining and gas sector as well as information on the renewable energy sector. This was also the case in Cesar, where several online portals provide access to mining sector data, including legal and institutional frameworks, production volumes, license and company information, municipal budgets and economic contributions. Civil society organisations and community members in Cesar used this data during legal disputes with companies and public entities.

Finding formats that work for communities

Beyond raising community awareness of existing disclosures, information must be provided in formats that can be understood and used. This will vary by context, depending on cultural, linguistic, economic and other context-specific factors.

Across the project communities, stakeholders consistently noted that lengthy technical reports, including EITI Reports, were usually not useful for getting information to communities.

Online data portals also present challenges. In Colombia, stakeholders noted that revenue and environmental data is available on government databases but that navigating and making sense of the information required a high degree of technical knowledge. In La Guajira, information on renewable energy projects and plans is dispersed across various government websites, making it difficult for community stakeholders to get a comprehensive picture of the sector.

Whether or not to disclose information in hardcopy or online depends on factors such as access to internet and technology, digital literacy and the personal preferences of the intended audience. Across the project communities, limited access to reliable electricity, internet, computers and smartphones presents a barrier for accessing data online.

Literacy, language and cultural factors are also important to consider when disseminating information. In several of the project communities, literacy rates were low, underscoring the need for verbal communication through other channels such as events or radio.

Often, official data was not disseminated in the languages spoken by communities. While most community members in La Guajira speak Spanish, many felt that conveying information in their native Wayúu language (Wayuunaiki) was important for ensuring comprehension by older generations and respecting the local culture.

Lengthy technical reports, including EITI Reports, were usually not useful for getting information to communities

In the department of La Guajira, 44% of households use firewood for cooking, according to figures from the National Department of Statistics (DANE 2020).

Recommendations: Making data accessible

Building on existing channels

Rather than developing new disclosure channels, it can often be more efficient to build on and improve existing channels such as government websites, company reporting or community information centres and billboards. Leveraging systematic disclosures can be an effective way of ensuring timeliness and relevance of data. In instances where multiple disclosure channels already exist, coordination between government agencies and companies is key to ensure effective communication and to avoid redundancies.

Using verbal communication

Verbal communication was consistently identified as an effective method of disseminating information. Stakeholders flagged community meetings as one of the most important spaces for information sharing, particularly when there is a need to use local languages. They also suggested that information could be disseminated via local radio or TV. In Ellembelle, local people favoured community-based dissemination approaches such as town hall meetings and local radio stations. In Cesar, a mining company had used theatrical performances to engage with communities. In La Guajira, the Wayúu have a strong oral tradition, which can be leveraged for sharing information.

Leveraging local champions

Engaging local champions and community leaders to communicate information can be an effective way of reaching local audiences. These could include traditional or clan leaders; political leaders or parties; women's, youth and farmer's groups; religious leaders; civil society networks; and academics and journalists. Stakeholders also stressed the importance of reaching marginalised groups. In Cesar, stakeholders suggested targeted engagement with Afro-Colombian community councils. In La Guajira, stakeholders flagged the importance of engaging with leaders of the Wayúu community. For instance, the participation of the *Pütchipü'üi* – an important mediator figure in the Wayúu normative system – in the training workshops was essential to gain the trust of community members.

Presenting data in engaging formats

Across the project communities, stakeholders consistently said that they found it difficult to engage with lengthy technical reports or complex online portals. MSGs could consider producing dedicated chapters in EITI Reports or standalone thematic reports on topics that are relevant to communities. Furthermore, MSGs could consider creative strategies for presenting and disseminating information in formats that are easy to access and understand. For example, presenting key findings or executive summaries using infographics or data visualisations can make information more accessible and engaging.

Considering whether digital formats are appropriate

While routine disclosures on official government and company portals can provide timely information, the appeal of digital formats will vary by audience. In North Morowali, for example, some stakeholders suggested that information could be disseminated through social media. Similarly, in Cesar, some stakeholders said that young people might engage with information in digital formats, while subnational politicians preferred hardcopy summaries. Stakeholders also suggested that local newspapers and radio could be used to disseminate information. In Ellembelle, district assembly members said that they wanted key data extracted into hardcopy summary factsheets.

Sustaining community participation in dialogue and decision-making

Information disclosures are only meaningful if they support greater accountability. To ensure this, community representatives must be involved in dialogue and decision-making on an ongoing basis. This section sets out key findings on obstacles to sustaining community participation and options for overcoming this challenge.

Consulting communities throughout project lifecycles

The energy transition is driving major changes in the mining and energy sectors, with some areas seeing increasing investments in new projects while others experience uncertainty around the future of the industry. In all of the project communities, local people reported inadequate consultation throughout various stages of extractive or renewable projects. In Ellembelle, community members felt excluded from the land acquisition process for gas facilities. In North Morowali, stakeholders only learned about investment decisions once mine development began. In La Guajira, fragmented consultation processes divided communities, hindering the formation of a shared vision for the community's territory and future.

Moreover, community representatives noted that community priorities and demands were often overlooked during project implementation. For instance, in Cesar, stakeholders lacked opportunities to influence how the local government spent mining revenues. Some community members felt that spending on cultural and sports activities took precedence over investments in public services and infrastructure.

Establishing grievance channels

Stakeholders also highlighted the scarcity of avenues to voice grievances. In North Morowali, community representatives expressed concerns about the impacts of water pollution on local livelihoods. While stakeholders raised their concerns with various institutions – including the district government, environmental regulators, police, subnational parliamentarians and a national ministry – these remained unresolved. Civil society representatives noted that although an online grievance mechanism existed, limited access to technology rendered it ineffective for most rural communities.

Including communities in national policy discussions on the energy transition

Community participation in national energy transition policy discussions remained limited. In Ghana, the National Energy Transition Committee is meant to involve subnational governments in developing local energy transition plans aligned with the National Energy Transition Framework. However, local people in Ellembelle noted a lack of focus on community priorities. While regional consultations were conducted during the framework's development, community members claimed they were not consulted. Stakeholders emphasised the importance of incorporating the perspectives of community leaders, such as chiefs, religious leaders, youth groups, women's groups and local assembly members, into national policies. Similarly, in Indonesia, stakeholders noted that

Community representatives noted that community priorities and demands were often overlooked during project implementation

PHOTO CREDIT: OBREMPONG YAW AMPOFO

Community members discuss the impact of the energy transition on the community.

decision-making is centered heavily in Jakarta. In Colombia, the government's nascent energy transition policy had low familiarity among local authorities and communities, but lessons from the "Engaging communities in a just transition" project have since informed the government's energy transition roadmap.

It is also important to recognise that certain systemic barriers to community participation require more concerted efforts to overcome. In Colombia, a history of armed conflict and violence towards land and environmental defenders has bred mistrust and reluctance among many community members to engage in public dialogue. In La Guajira, non-hierarchical social structures and dispersed settlement patterns within the Wayúu community hinder collective action.

Strengthening community capacity

Vital to meaningful community participation in dialogue and decision-making is the capacity to comprehend information, engage effectively and advocate for rights. Across the selected communities, there was limited understanding of the energy transition and limited capacity to engage with technical disclosures. In Cesar, local governments had access to information portals but did not leverage them for development planning. In La Guajira, the technical nature of public disclosures on licensing procedures compelled communities to hire advisors or lawyers for engagement with the government or companies, fostering transactional relationships rather than communities independently advocating for their rights.

A key component of the "Engaging communities in a just transition" project was to conduct capacity development workshops with local stakeholders. In Ellembelle, consultants conducted a training for local authorities and civil society organisations on using EITI data to inform policymaking. In La Guajira, workshops addressed specific data needs of the Wayúu community based on its own dynamics.

Involving community voices in global forums

As part of its efforts to strengthen community voices across the EITI community, the EITI invited Nana Akua Deshye II, the Queen Mother of Sanzule, to represent her community at the 2023 EITI Global Conference. The event included dedicated sessions on engaging communities in the EITI process. It also featured a photo exhibition on the "Engaging communities in a just transition" project, as well as a peer exchange for stakeholders from Colombia, Ghana and Indonesia to share lessons from the project.

These engagements highlighted the gaps that exist between global energy transition objectives and community priorities. While the reduction of greenhouse gas emissions holds a central place in global policy dialogue, there is a need to strengthen understanding about its implications for communities and their livelihoods. In the project communities, some stakeholders noted that the term "energy transition" felt detached from the realities of communities that prioritise access to affordable energy over emissions reduction. Understanding and managing the community-level impacts of global energy transition efforts is critical for achieving a just energy transition.

A woman runs a clothing business in a traditional market
of the Toara village In North Morowali, Indonesia.

FIGURE 9

Recommendations: Sustaining community participation in dialogue and decision-making

Building local capacity

Enhancing local understanding of the energy transition and its impacts, along with learning to access and use data, is vital for meaningful community participation in dialogue and decision-making. In Cesar, stakeholders proposed training community members to comprehend budget data and monitor subnational revenue management. They also suggested training media representatives to improve reporting on the energy transition. In Ellembelle, stakeholders recommended building capacity of local assembly members and government officials to use revenue data to inform local development planning. Communities could also benefit from training to better grasp government and company obligations. In North Morowali, stakeholders suggested that the central government should train local government officials on integrating transparency into governance processes.
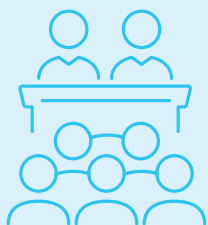
Creating sustainable local engagement spaces

Stakeholders across the selected communities expressed a widespread desire for continuous participation in decision-making. While proposed strategies for achieving this varied, community members highlighted the need for solutions that can be sustained in the long term. Some contexts require new platforms for community engagement, while others can leverage existing ones. In Ellembelle, for example, stakeholders proposed using periodic townhall meetings to facilitate community exchanges and voice concerns, as part of the Ghana MSG's outreach activities. In North Morowali and Ellembelle, stakeholders wanted to explore the possibility of establishing subnational MSGs. In Cesar, where a subnational EITI MSG already exists, stakeholders called for a new multi-stakeholder forum dedicated to energy transition issues, as well as targeted dialogues with youth organisations. In La Guajira, stakeholders called for regular engagement between coal companies and communities on the evolving implications of the energy transition. Some stakeholders also suggested establishing a regional MSG encompassing both La Guajira and Cesar, due to their interlinked mining and energy sectors in the Colombian Caribbean region.

Amplifying community voices in national and global decision-making

National stakeholders could do more to facilitate the involvement of community representatives in policy dialogue and decision-making on the energy transition. In Colombia, for example, the EITI organised a national forum that brought together stakeholders from communities and national institutions. The Ministry of Energy and Mines subsequently drew on recommendations of the project in the consultation phase of the development of the national energy transition roadmap. In Ghana, stakeholders suggested that the National Energy Transition Commission should more actively involve community perspectives in policy formulation, through engagement with community leaders and other stakeholders. National EITI MSGs could also consider facilitating the involvement of local champions in national multi-stakeholder groups. International actors, such as civil society organisations, donors and international organisations, should take steps to ensure that community priorities are considered in global decision-making on climate change and the energy transition, including by facilitating the participation of community stakeholders in climate negotiations.

4. Using the EITI Standard to meet community data needs

The 2023 EITI Standard provides entry points for information disclosures that are relevant to communities in the context of the energy transition. From shedding light on local economic contributions to environmental and social impacts and community consultation, EITI disclosures can strengthen understanding of what the energy transition means for communities and their livelihoods.

The table below outlines how the EITI Standard can be used to disclose information on topics of interest to communities, as evidenced by the "Engaging communities in a just transition" project. In addition to requirements to publish information on employment, social expenditures, subnational revenues and environmental and social impacts, the EITI Standard also includes provisions on enabling evidence-based public debate by taking steps to ensure stakeholders can access, understand and use disclosures.

Using the 2023 EITI Standard to meet community data needs	
Topic	**EITI Requirements**
Employment	*6.3.a.iv Extractive sector employment* The energy transition is impacting employment in the mining and energy sectors. While new job opportunities are emerging in some areas, elsewhere investment is declining, creating uncertainty for workers. The EITI Standard requires the disclosure of employment data disaggregated by project, where available. Local stakeholders can use this information to identify opportunities and vulnerabilities for the workforce. They can also use such disclosures to inform discussion of whether companies are meeting their local employment obligations.
Social expenditures	*6.1 Social expenditures by companies* In many countries, companies are mandated to make social expenditures, which are often directed at communities. Where the energy transition is driving growth, communities face the prospect of an increase in such spending. In areas experiencing decline, the opposite may happen. The EITI Standard requires the disclosure of such expenditures and the contracts setting out the obligations. Transparency in this area can help community stakeholders ensure that social expenditures are aligned with local priorities and needs.
Subnational revenues	*4.6 Subnational payments and 5.2 Subnational transfers* In many countries, subnational governments receive revenues from the mining and energy sectors. In some cases, they collect this revenue directly. In other cases, they receive transfers from the national government. The energy transition creates the potential for new revenue flows in some areas and risks to public finances elsewhere. The EITI Standard requires the disclosure of such payments, which can help local stakeholders to identify economic opportunities and risks and inform prudent revenue management and long-term planning.

Environmental and social impacts	*6.4 Environmental and social impacts* The energy transition is reshaping local environmental and social impacts in the energy and mining sectors. Most countries require the assessment, monitoring and management of such impacts. The EITI Standard requires the disclosure of impact assessments and monitoring reports. Companies are encouraged to disclose information on how they manage impacts and countries are encouraged to disclose information on monitoring and enforcement, including in relation to water, land, emissions and human rights. Community stakeholders can use this information to demand better environmental and social performance and more effective enforcement of the rules.
Community consultation	*2.2.a.ii Community consultation* In many countries, communities must be consulted as part of project approval. In some instances, the free, prior and informed consent (FPIC) of Indigenous peoples is required. The EITI Standard requires the disclosure of consultation requirements and a description of how consultation processes were conducted in practice. Where the energy transition is driving new licensing decisions, community stakeholders can use this information to ensure their rights are upheld.
Community-level dialogue and debate	*7.1 Public debate* Communities consistently expressed that they had insufficient opportunities to engage in public debate and decision-making on the energy transition. The EITI Standard requires MSGs to ensure that government and company disclosures are comprehensible, actively promoted and publicly accessible. MSGs should ensure that disclosures contribute to public debate through outreach events and multi-stakeholder dialogue. While the EITI's key audiences for this are typically government, parliamentarians, civil society, companies and the media, the same commitment to public debate can also be applied to community-level stakeholders. The EITI Standard also encourages MSGs to undertake capacity building efforts to improve understanding and use of data.

5. Conclusion

The findings of the "Engaging communities in a just transition" project have shown that respecting the priorities and needs of communities is essential to ensuring well-informed, inclusive and accountable decision-making on the energy transition. The project has demonstrated that there is a clear appetite for communities to engage on the energy transition's impacts. Ensuring communities are provided with relevant information that they can access, understand and use is an essential starting point for their participation in meaningful dialogue.

This does not only matter for communities themselves. Effective local engagement can help governments to build trust around energy transition plans and ensure that decision-making aligns with long-term public interests. It can help companies build and maintain their social license to operate and manage operational, legal and reputational risks. For global civil society and climate actors, understanding community perspectives can ensure that global efforts to deliver a just energy transition align with the experiences and priorities of those living in close proximity to extractive and energy projects.

A range of factors will shape the feasibility and effectiveness of the recommendations set out in this report:

Long-term sustainability

Meaningful information disclosure and dialogue require time, money and buy-in from key stakeholders. Efforts must be sustainable over the long term. Rather than ad hoc and one-off disclosures, government and industry should systematically and proactively disseminate relevant information to communities in appropriate formats. The right of communities to participate in decisions that impact their lives should be embedded in legal frameworks and effectively enforced.

Coordination

In many countries there is an increasingly crowded field of organisations and initiatives working on energy transition issues. Within this space, it is important for different actors to understand where they can add value. Coordination and partnerships, including between stakeholders in the extractive industries and the renewable energy sector, are critical.

Systemic challenges

In many countries, factors such as armed conflict, restrictions on civic space and violence against land and environmental defenders, create obstacles for meaningful community engagement. Corruption can further increase the risk of rights violations. Community engagement efforts must be informed by an understanding of such challenges.

Effective local engagement can help governments to build trust around energy transition plans and ensure that decision-making aligns with long-term public interests

Workshop participants consider opportunities and solutions at an EITI workshop in North Morowali, Indonesia.

PHOTO CREDIT: NELSON DAVID ALONSO CHARRY

Communities attend meetings to discuss projects that are planned in the area. At this gathering at La Guajira, consultants speak about the project "Engaging communities in a just transition".

These considerations should inform how to take forward efforts to strengthen the EITI's relevance at the community level. A 2022 independent evaluation of the EITI emphasised the importance and potential benefits of implementing the EITI more effectively at the subnational and local levels. The evaluation recommended shifting focus from merely reporting of subnational revenues and transfers and limited subnational awareness activities, to using this data to facilitate multi-stakeholder dialogue at the local level on the issues that matter most to communities. The urgency of this imperative is heightened by the ongoing energy transition.

The findings of the "Engaging communities in a just transition" project offer valuable insights as the EITI considers how to strengthen subnational EITI implementation across the EITI community. When it comes to subnational disclosures and activities, there are financial considerations to bear in mind, and EITI MSGs will need to carefully consider how they can provide the most value to communities.
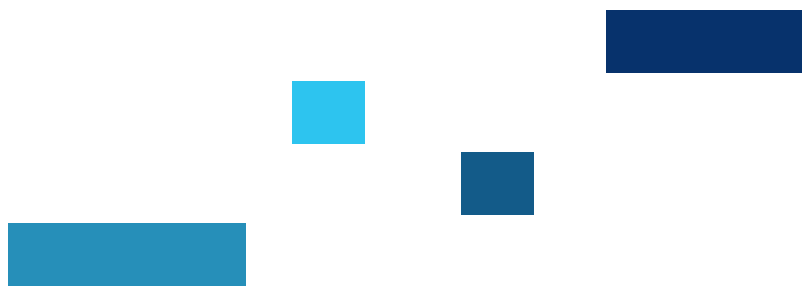
In some cases, the EITI may be well placed to share information that directly matters to communities. In other situations, it could be more effective for governments and companies to systematically gather and disclose detailed data. There are instances where forming subnational MSGs could work well, while in other cases, ensuring government and industry commit to regular dialogue at the community-level might be the focus, for example by facilitating community participation in the national MSG or in national policy discussions on the energy transition. The approach will depend on each country and community's unique circumstances – there is no universal solution.

As a first step in tackling this challenge, EITI MSGs could develop community engagement plans. These could identify regions and communities experiencing the greatest change as a result of the energy transition, pinpoint what data and dialogue are important to communities, assess the resources needed, determine where the EITI can make the most impact, and collaborate with external partners as needed. Throughout this process, the EITI should prioritise actions that can be maintained in the long term. By placing the needs and priorities of communities at the heart of efforts to strengthen disclosures and dialogue, the EITI can help to deliver a just transition.

Acknowledgments

EITI

**Extractive Industries
Transparency Initiative**

We believe that a country's natural resources
belong to its citizens. Our mission is to promote
understanding of natural resource management,
strengthen public and corporate governance and
provide the data to inform greater transparency
and accountability in the extractives sector.