

Terms of Reference – long-term consultant

End fossil finance from Norway

Ending export credits for and banking on fossil fuels

Deadline for proposal: **20 March**

Date: From 1st May 2022 to 31st December 2022 with expectation of renewal

Location: Norway (with travels to Copenhagen¹)

Remuneration: 150 days with a fair daily rate to be negotiated, including support to office space.

Further information: If you need more information about the terms and expectations, please, contact Magnus Jensen Nielsen, Sustainable Finance Researcher, by mail at mjn@ms.dk or phone (within normal working hours) on +45 2383 9790

Proposal: Are you interested, send a motivated proposal incl. your qualifications and rate to Maja B. Gregersen, mge@ms.dk – we are screening proposals on an on-going basis and expect to close tenders' round by mid-March.

The ambition is to hire a long-term consultant with knowledge and capacity to lead the work in Norway to end fossil fuel financing from export credits, banks and the oil fund/pension funds. If the consultant is successful and funding allows it, the expectation is to continue and expand activities and the team in Norway in 2023 and 2024.

The consultant will be part of an Ending Fossil Finance unit in ActionAid Denmark, part of the overall ActionAid climate justice campaign team and working closely with colleagues from that unit.

Objectives for the assignment

2–3-year goal:

Norwegian government sign up to the joint statement led by UK to end public finance for fossil fuel projects abroad and do not oppose the creation of an oil and gas OECD Sector Understanding for ECA's. Norwegian bank DNB, the Oil Fund and other identified key investors have significantly strengthened climate policies to restrict finance and investments in coal, oil and gas.

Objectives within first year (this contract):

1. Create strong media pressure by identifying the fossil exposure of Eksfin and generate significant media attention on this issue with at least four mainstream media covering this agenda.
2. Use political tactics to put further pressure on Norwegian government resulting in at least one political party in parliament calling for ending public fossil fuel finance abroad.
3. Build a coalition of organisations on public finance writing a joint op-ed, an ad, and an open letter to the government.
4. Develop a strategy on how to advance the fossil free finance work in Norway and fundraise for new projects in Norway from 2023 in cooperation with the rest of the team.

See *Action plan and outputs further down in this ToR.*

Requirements

Professional requirements:

- Knowledge about climate justice and climate change and a strong network in the Norwegian climate movement
- Knowledge about fossil fuels and their role in driving climate changes
- Understanding of the financial sector

¹ It is expected that the successful candidate can be in Denmark from 2nd to 13th of May 2022 for an introduction programme. A second travel to Copenhagen will be planned in fall/winter 2022.

- Research capacity to analyse data and identify what is of important to drive policy changes
- Deep understanding of what drives policy changes and how civil society strategically can contribute to trigger changes. Using this understanding to design activities during the assignment
- Excellent writing skills for reports, policy briefs and advocacy briefs to decision makers
- Strong communication skills including writing comments/op-eds to media
- Excellent and reliable networker with ability to coordinate and cooperate with various organisations and individuals and credibly engage with decision makers and other stakeholders

Personal competencies:

- You have a deep passion to combat the climate crisis, pro-actively contributing to strengthening the theory of change for the overall project and a flexible approach to carrying out the task with a deep personal commitment and responsibility
- You can create a solid overview of complex subject matters and organizational structures and strategic priorities.
- You can engage with diverse stakeholders – from activists to investments directors - with empathy and credibility
- You can communicate very specific and in-depth thematic information to persons with different professional backgrounds creating insight in and support of the area.
- Fluent in Norwegian and English

Background:

Six years after signing the Paris Agreement, governments are still using taxpayer money to finance new fossil fuel projects in foreign countries through export credit agencies (ECAs) and development banks. This carries a big risk of carbon lock-in decades into the future. If we are to achieve a maximum of 1,5-degree temperature rise, there is no room to establish new fossil fuel projects. On the contrary, we need to decrease our fossil fuel production with 6% a year.

G20 countries are still providing at least USD 63 billion a year in public finance to coal, oil, and gas in foreign countries. But there is an international momentum to change that. At COP26 a [statement was launched](#) by the UK on ending all public finance for fossil fuels by the end of 2022 (with limited exceptions). So far 39 countries have signed the statement, including Denmark, Sweden, Finland, most major European economies, Canada and the US. The statement is ambitious and covers all public financing, including ECAs and development finance, and it will guide signatories' approach to finance under the auspices of multilateral development banks. AADK contributed to get the Danish and Swedish government to sign the statement.

In the OECD, a revision of the sector understanding on export finance for coal was completed in the fall 2021, but it was far from the needed ambition level and not even addressing mines and infrastructure. However, US has announced that they will push for an oil and gas sector understanding in OECD, and Nordic countries could play a key role promoting it as well. To achieve that would require more laggards to move and at eventually support it.

Norway can be an important player to do just that. As an increasing number of countries are moving out of public support to oil and gas, the possibilities to secure support for OECD Sector Understanding on ECA's oil and gas support improves. However, more countries with strong ties to the oil and gas industry needs to move to make that happen. Despite decision-making in the OECD Sector Understanding is based on consensus, it will potentially be possible to force through a sector understanding on oil and gas if there is only a small minority opposing. However, it requires it to be a marginal and isolated group of countries, therefore it is of strategic importance to move Norway out of public finance to fossil fuels and from being opposed to an oil and gas sector understanding to at least being neutral.

The coalition Export Finance for Future (E3F) of seven countries has been formed, including Denmark and Sweden but not Norway. While the UK joint statement includes a commitment to end all fossil fuels, the E3F is only calling for an immediate end to coal finance. But since all seven members have joined the UK-led joint statement, there is a possibility for E3F to increase its ambition levels and help ensure support for an OECD sector understanding on oil and gas.

Depending on how E3F develops after the UK-joint statement, Norway can play an important part of E3F.

While other Nordic countries have signed up to end public fossil fuel finance Norway is lagging behind. Norway is still pouring public billions into the oil and gas industry through its ECA Eksfin. Though there is limited transparency, before the two Norwegian ECA's were merged into Eksfin, GIEK, one of the two ECAs, reported its exposure to the oil and gas industry to be USD 6,1 billion which makes up 61% of the export guarantees. It is crucial to take advantage of the international momentum and the peer pressure from other Nordic countries and internationally to increase the pressure on Norway to end public finance of fossil fuels abroad.

However, Norway is very different from other Nordic countries as the oil and gas sector constitutes a significant part of government revenues and exports and as such contributes significantly to job creation and financing of the Norwegian welfare state, including financing the Oil Fund. This makes it much harder to achieve progressive and climate-friendly policies on fossil fuels in Norway. However, the best place to target the Norwegian oil and gas industry is through Eksfin. ECA's are not only a question of the oil and gas sector, but an issue of public money in oil and gas expansion. It is less political costly to end finance to exporting fossil fuels as it will impact employment and government revenues less. Further, continuing to finance new oil and gas projects abroad undermines the image of a progressive and climate-friendly country that the Norwegian government is trying to convey. To target public finance overseas in Norway is difficult, yet achievable in the medium term, and have the potential to not only be a first step in tackling the Norwegian oil and gas industry, but also to move how Norway is positioned on the OECD Sector Understanding for ECAs.

The Norwegian bank, DNB, is the greatest laggard in the Nordic region with USD 19,9 billion loans and underwriting in fossil fuel companies since 2015 and investments of USD 1,3 billion. Furthermore, DNB has the poorest climate policy among the big Nordic banks, which is why it is crucial that DNB is not left unchecked. Further the Norwegian Oil Fund is the single largest investor in the world and therefore important to analyse and engage to end fossil financing.

Action plan and outputs:

The overall strategy is to put maximum pressure on the Norwegian government body in different ways and from different stakeholders. This strategy has four dimensions, which correspond with the objectives. Some of these elements are very specific and should be adjusted to achieve maximum impact.

1. Research & media

It is essential to raise the debate in the mainstream media and to sustain it over time. Doing this will be based upon the thorough research and a case study that we will conduct.

- Report on fossil fuel projects to be launched in June-August 2022: As there is poor transparency into the portfolio of Eksfin, a crucial first step to get more information on this and compile it into a report with data on oil and gas projects.
- Report on jobs to be launched early 2023 (pending on funding and not in the current budget): We will commission and launch a report analysing potential consequences for jobs in Norway from ending fossil fuels export credits and show potential job creation if Eksfin supported the renewable sector instead of oil and gas. In similarity with the Vivid Economics report on UK Export Finance that proved to be key in achieving the strong whole-of-government decision in UK.
- Case-study: to complement the more data-loaded stories, a more elaborate case study research on one controversial project supported by Eksfin to show the impact on local people will be conducted.
- Op-eds: In a small coalition of NGOs in Norway, write an op-ed calling for an end to public finance for fossil fuels abroad.
- Whole-page ad: In a coalition of Nordic and international CSO's publish an ad in a mainstream media calling on Norway to join the 39 countries, including all their Nordic neighbours, in ending public finance to fossil fuels.

2. Political tactics.

There are important tactics to be used within parliament and ministries: to engage political parties to raise questions etc. towards the government and to have dialogue with Eksfin and officials in the relevant ministries. This can create pressure from other political parties and within the ministries.

- Establish close contact with political parties to feed information and identify who can drive this agenda politically. Through political parties collaborate to:
 - Raise formal questions to the relevant ministers
 - Conduct a formal hearing
 - Announce public support for ending fossil fuel finance abroad
 - Establish close contact with ministries and Eksfin to feed information and identify progressives who can drive this agenda internally.

3. Coalition-building.

As the consultant is working under the ActionAid brand it will be especially important to ally with organisations with a known brand in Norway. To work in a coalition (in Norway as well as internationally) will create a sense of a broad-based push.

- Organising a loose coalition of NGOs in Norway on public finance. Organisations such as Greenpeace Norway, Framtiden I Våre Hender, WWF Norway and allies from Oil Change and the Sunrise Project.
- Within this coalition do a joint op-ed calling for an end to fossil fuel financing abroad
- Tapping into international networks such as ECA-Watch and Fossil Free Public Institutions.
- In the Norwegian coalition and with international support write a joint public letter to the Norwegian government urging action on this agenda
- Encourage pressure from Danish, British and Swedish government on the Norwegian government.
- Ad by Nordic CSO's in mainstream media to join the rest of Nordic region in ending public finance to fossil fuels.
- Beyond NGOs, assess whether other "respectable" voices can be engaged to publicly take a stand on this agenda.

4. Developing fossil free finance work in Norway:

Our ambition in Norway is a rapid upscale our work on fossil free finance.

- Developing strategies to this. Assessing the opportunities targeting the Oil Fund, DNB, the central bank of Norway and other potential financial institutions.
- Launching the Nordic bank report in Norway in October,
- Conduct media work (e.g., for DNB's AGM in 2023),
- Prepare a shareholder resolution in cooperation with an investor for DNB's AGM in 2023.

Methodologies:

It is expected that the consultant does research on the Norwegian export credit institutions and carries out communication, advocacy and engagement with stakeholders and decision makers. Further that the consultant builds relations and networks with partner organisations and peers to strengthen influence and coordinate activities.

Communication framing

Underlying all of these four dimensions is our communicative framing. In this, we emphasise two key messages. First, that ending public finance to fossil fuels overseas is not a threat to the Norwegian economy and employment. The debate in Norway around oil and gas is closely linked to Norwegian jobs and it is the primary concern of the two government parties. Therefore, the work on Eksfin will emphasise how export finance to renewables can create more and better jobs compared to fossil fuel projects.

Secondly, the other Nordic countries have already announced an end to public finance to fossil fuels overseas. Therefore, Norway will be portrayed as the climate villain in the region - as well as beyond the Nordic region as most major European countries and Canada and the US have moved ahead of Norway, too. This narrative will hurt nationally as the awareness around climate in Norway is shifting. The recent elections in the fall of 2021 were deemed as a climate election as climate is an increasingly important issue.

Organisational setup:

ActionAid Denmark is an organisation with a long history of fighting for a just a sustainable world. The last five years there has been a strong focus on finance and fossil fuels. Initially with a strong focus on pension funds, but the last years also on banks and public finance. In AADK, there is a unit dedicated to fossil free finance in the Nordic region. On banks we are working across the region already in a network of Nordic NGOs and on pension funds, we are building up our regional reach in 2022.

On public finance, the team in AADK has achieved results in Denmark and Sweden. In Denmark, following media and political pressure led by AADK, the government announced to end public finance to fossil fuels (with limited exceptions on gas) by beginning of 2022. In the new climate strategy of the Danish ECA, it is acknowledged that there had been strong pressure by NGOs, media and politically to push it out of fossil fuels. In Sweden, AADK cooperated with the Swedish organisation SwedWatch to investigate the oil and gas exposure by one of the Swedish ECA's and supported dialogue with decision makers in Sweden. Eventually, it contributed to the Swedish government announced an end to public fossil fuel support overseas by end of 2022.

Recently ActionAid Denmark released a database covering 16 major Danish pension funds investment not fossil fuels: <https://www.fossilnofuture.com/> It is the ambition to include pension funds and banks from Norway, Sweden and Finland in the database during 2022 supporting engagement with these institutions by partners in the Nordic countries.

The ending fossil fuel advocacy and campaigning is coordinated by Eigil Johannisson who has experience working on fossil free finance from multiple NGOs. With strong capacity working on fossil free finance across the region and successful experiences working on public finance in Denmark and Sweden, AADK he will be supporting and advising the consultant on the work in Norway.

Further the Consultant will be working and coordinating with Joachim Kattrup, responsible for the work on Nordic pension funds.

Need more information?

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