

The impact of current oil and gas dynamics on governance and oversight.

**Governance for Today.
Coordination for Tomorrow.**

Working Group on on Audit
of Extractive Industries (WGEI)

INTOSAI

 Brasília, Brazil



anp

Agência Nacional
do Petróleo, Gás Natural
e Biocombustíveis



THE NEW ENERGY REALITY

Four simultaneous priorities

ENERGY TRANSITION

Decarbonization and climate action remain essential for a sustainable future.

NATIONAL SOVEREIGNTY

Countries seek greater strategic autonomy over their energy resources and value chains.



ENERGY SECURITY

Recent crises remind us that secure, reliable and affordable energy supply is fundamental.

ENERGY JUSTICE

Energy is a vector of development and social equality. Access, affordability and inclusion matter.



WHY IT MATTERS



Drives economic growth and competitiveness



Creates jobs and opportunities



Reduces poverty and supports social inclusion



Strengthens resilience and national security



Supports sustainable development and environmental goals



Countries no longer pursue only decarbonization. They must **simultaneously** balance **transition**, **security**, **sovereignty** and **justice**.

THERE IS NO SINGLE ENERGY TRANSITION

Different countries, different pathways



Resource endowment



Economic structure



Social conditions



Industrial profile



Institutional capacity



Each country must build its own pathway toward **lower-carbon energy systems**, considering its reality and development needs.

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BRAZIL AT A GLANCE



3.4 million barrels per day
Oil production (2024)



2nd largest in the Americas
and among the Top 10 globally



~10% of total exports
Oil and oil products (2024)



~R\$ 200 billion
Government take (2024)



Thousands of jobs
Across the country



Oil and gas are not only **energy assets**. They are also **fiscal, development and strategic assets**.

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BRAZIL'S ENERGY TRANSITION STARTED DECADES AGO



Ethanol since the 1970s



30% ethanol blending in gasoline



15% biodiesel blending



Widespread use of **natural gas** vehicles



Biomethane development



LNG for heavy-duty transport



Highly **renewable electricity matrix**
(~89% in 2024)



For Brazil, energy transition is not a future agenda.
It is an ongoing process.

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GOVERNANCE ARCHITECTURE

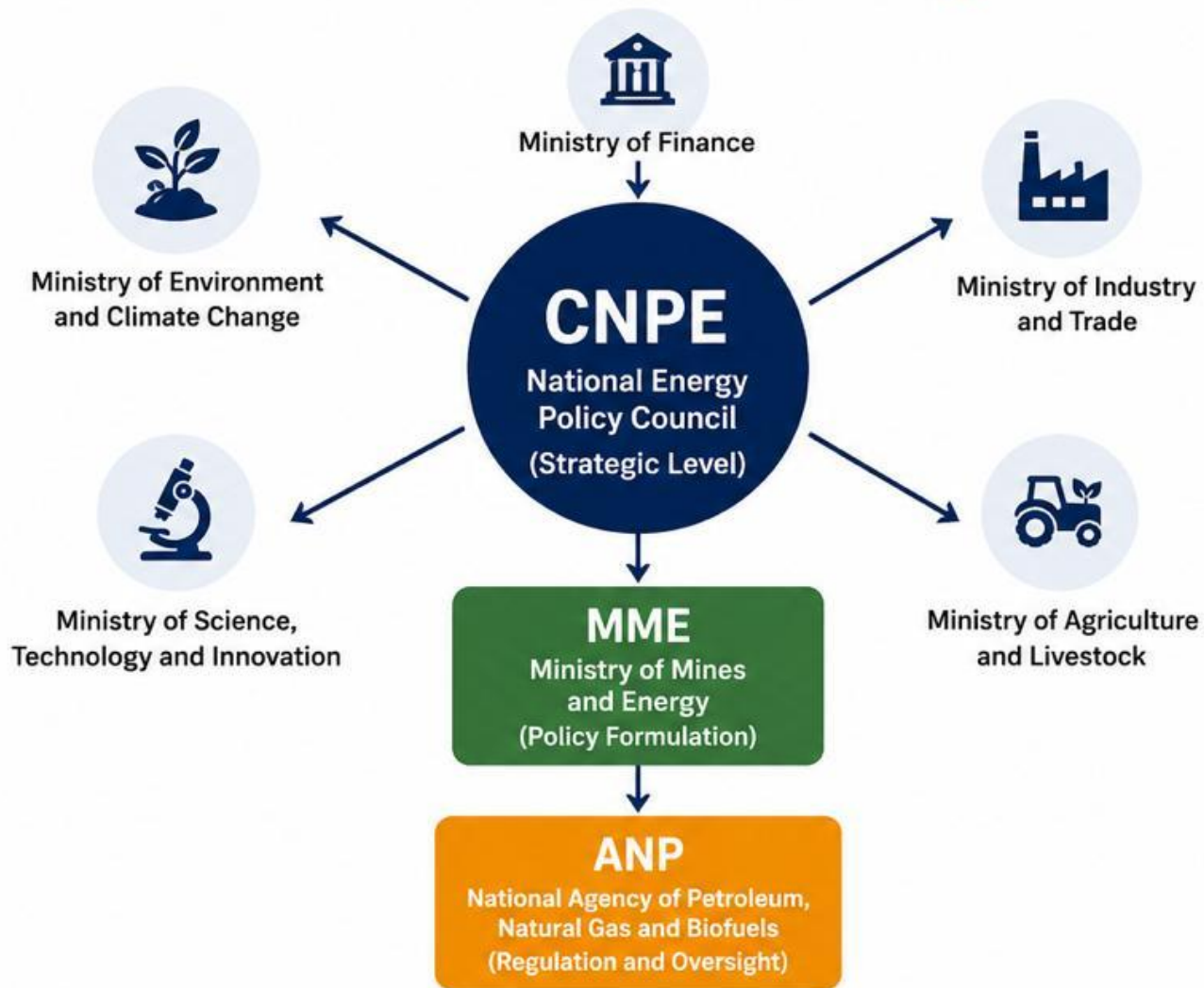
CNPE: Coordination at the Center of Policy



The CNPE brings together institutions with different mandates. Its value lies in creating a structured process to balance objectives.

GOVERNANCE ARCHITECTURE

Structure of the Brazilian Energy Sector



Why coordination matters

-  Energy security
-  Fiscal sustainability
-  Environmental protection
-  Industrial competitiveness
-  Technological innovation

Clear separation between policy formulation and technical execution preserves both democratic legitimacy and regulatory credibility.

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ENERGY POLICY IS A WHOLE-OF-GOVERNMENT ISSUE



MME

Ministry of
Mines and Energy

Energy



**Ministry of
Finance**

Fiscal
Sustainability



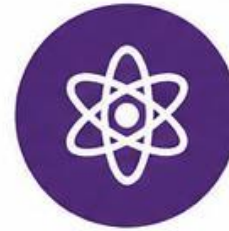
**Ministry of
Environment**

Climate &
Environment



**Ministry of
Industry &
Trade**

Competitiveness



**Ministry of
Science &
Technology**

Innovation



**Ministry of
Agriculture**

Biofuels



**Ministry of
Planning**

Development



**Modern energy policy is inherently cross-sectoral
and requires continuous coordination.**

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LESSONS FROM PRACTICE

Potential Governance Problems



Fragmented decision-making

Multiple institutions acting in silos



Conflicting objectives

Trade-offs not always explicit



Unclear prioritization

Short-term pressures over long-term goals



Regulatory overlap

Duplication, gaps and delays



Revenue governance

Resources do not automatically generate development



Structural sources of complexity: multiple institutions, multiple objectives and multiple time horizons.

LONG-TERM CHALLENGES REQUIRE LONG-TERM GOVERNANCE

OIL AND GAS



20–30 year
investment horizons

ENERGY TRANSITION



Multi-decade
transformation

CRITICAL MINERALS



Long exploration,
development and
maturity cycles



Political cycles are shorter than energy cycles.
Institutions must ensure continuity, predictability
and strategic coherence.

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ANP: THE TECHNICAL EXECUTION LAYER

Contributing to good governance



National Agency of Petroleum,
Natural Gas and Biofuels

- ✓ Regulatory stability
- ✓ Transparency
- ✓ Technical credibility
- ✓ Market predictability
- ✓ Monitoring and enforcement
- ✓ Data and information



ANP's mission is to regulate with independence and technical excellence, creating a level playing field and protecting society.

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ENERGY TRANSITION MULTIPLIES GOVERNANCE COMPLEXITY



Hydrogen

Sustainability criteria and traceability



CCS

Regulation, monitoring and liability



Biofuels

Sustainability criteria and irracability



Biomethane

New supply chains and infrastructure



Low-carbon fuels

Measurement, verification and incentives



New technologies, new markets, new risks – all requiring stronger institutions and coordination.

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CRITICAL MINERALS: SAME CHALLENGES, GREATER URGENCY



Benefit distribution



Environmental and social impacts



Local communities and stakeholders



Institutional coordination



Transparency and accountability

NEW GEOPOLITICAL DIMENSION



Supply chain resilience



Strategic autonomy

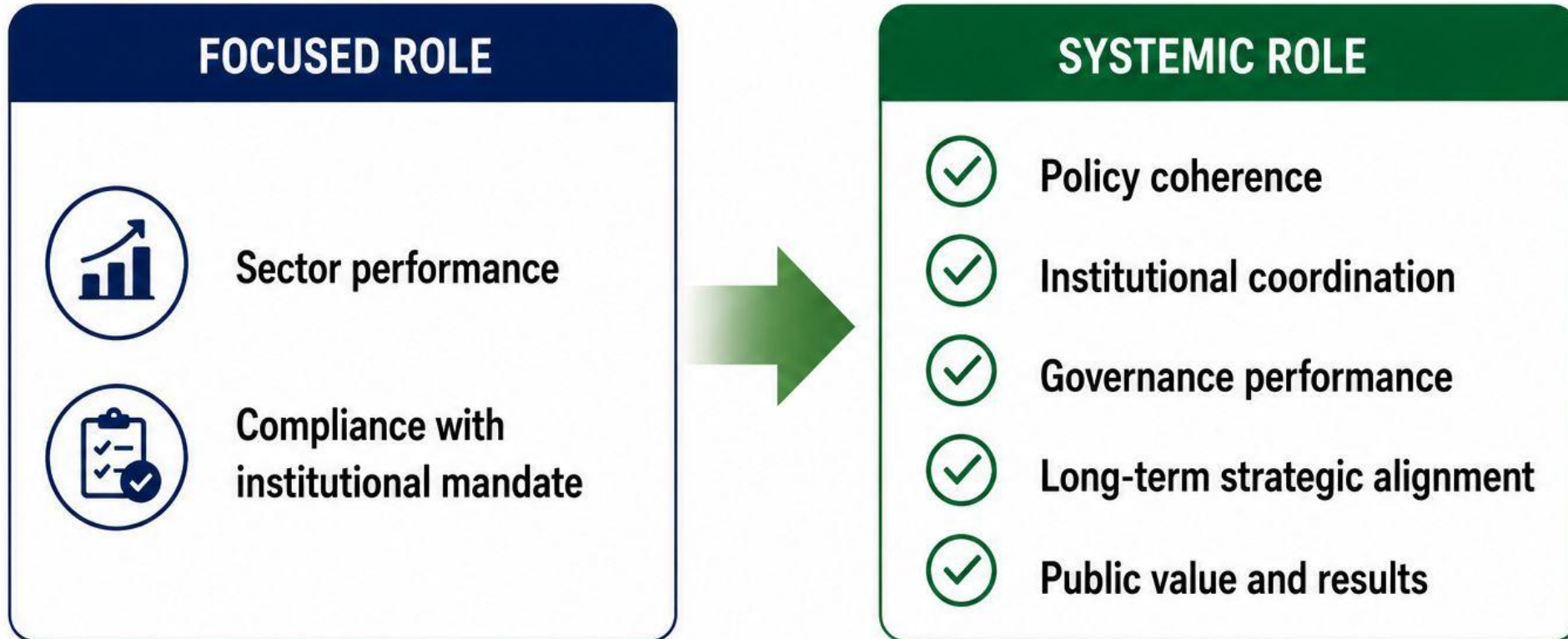


Global competition for resources



Critical minerals reproduce governance challenges faced in oil and gas, under greater urgency and scrutiny.

THE EVOLVING ROLE OF SUPREME AUDIT INSTITUTIONS (SAIs)



SAIs are essential to assess whether complex energy policies deliver coherent and sustainable outcomes for society.

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EIGHT LESSONS FOR SUPREME AUDIT INSTITUTIONS

- 1 Governance is coordination.
- 2 Energy policy is a whole-of-government challenge.
- 3 Policy formulation and implementation must be aligned.
- 4 Revenue governance is key to ensure public value.
- 5 Complexity requires strong institutional capacity.
- 6 Energy transition multiplies governance risks.
- 7 Critical minerals repeat old challenges under greater urgency.
- 8 Long-term challenges require long-term governance.



Good governance today builds a more secure, sustainable and prosperous future.

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FINAL REFLECTION

Energy systems
are becoming:



More integrated



More complex



More strategic

THE KEY QUESTION

How do institutions pursuing
different objectives produce
coherent outcomes over time?



The greatest risk
is not technological failure.
It is governance failure.



**STRONG INSTITUTIONS. BETTER COORDINATION.
SUSTAINABLE FUTURE.**

This is our shared challenge.

