

 <p>Publish What You Pay United States</p> <p>Isabel Munilla Director Publish What You Pay US</p> <p>OSCE Economic & Environmental Forum 8 Feb 2011</p>	<p>• AGENDA</p> <p>Good governance & transparency in the energy sector:</p> <p>A civil society perspective</p>
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Founded 2002


Over 600 organizations, working in almost 70 resource rich countries




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Publish What You Pay (PWYP) is a global network of civil society organisations that are united in their call for oil, gas and mining revenues to form the basis for development and improve the lives of ordinary citizens in resource-rich countries. PWYP undertakes public campaigns and policy advocacy to achieve disclosure of information about extractive industry revenues and contracts.

Read more >> [about PWYP](#).

www.publishwhatyoupay.org

How do we work?




Publish
What You Pay
United States

• **Promote disclosure:**

Mandatory

- national laws
- stock market listing regulations
- accounting standards
- bank lending policies

Voluntary

- EITI
- company disclosure policies

Who is PWYP US?



• **AGENDA**
Founded 2004

32 organizations

2.5 million + citizens

ActionAid International USA
Amnesty International
Bank Information Center
CARE USA
Catholic Relief Services
Columbian Center
CorpWatch
Crude Accountability
EarthRights International
EARTHWORKS
Environmental Defense Fund
EG Justice
Environmental Defense
Friends of the Earth
Gender Action
Global Financial Integrity
Global Rights
Global Witness
Government Accountability
Project
Human Rights Watch
International Budget Project
International Labor Rights
Forum
Justice In Nigeria Now
ONE Campaign
Open Society Policy Center
Oxfam America
Pacific Environment
Presbyterian Church USA
Revenue Watch Institute
Robert F. Kennedy Center for
Human Rights
Sierra Club
Sustainable Energy &
Economy Network

• **AGENDA**
Lots of partners:

How do we work?



US Congress
White House
State Department
Dept of Interior
Financial Regulator
World Bank/IFC
IMF
Companies
Donor governments

How do we support U.S. energy security?



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How do we support U.S. energy security?



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- Support for EITI

Push for US EITI

“Energy Security Through Transparency Act”

[Dodd-Frank Act](#)
[Passed July 2010](#)

What the new law does:

Companies filing annual reports with the US stock market regulator must disclose payments made to governments:

- Annual disclosure
- Payments to foreign governments
- Country-by-country – in all countries of operation
- Project-level disclosure
- Disclosure by payment type: royalties, signature bonuses, taxes
- In line with EITI
- Endorsed by Newmont mining, Calvert Investments, Social Investment Forum
- Builds on EITI requirements, HKEX, AIM



US-Listed Firms Must Disclose Payments to Gov'ts

New law requires oil, gas and mining companies to make payments public by 2012

By SIMON MARKS
THE CAMBODIA DAILY

A comprehensive financial reform bill passed by the US Senate

payments made to governments around the world, including Cambodia, by 2012. The bill represents an overhaul

rights and other concessions in several offshore locations. The bill requires firms to disclose the total amount of payments made

EUA exigem de petroleiras 'atestado' anti-corrupção

As empresas de petróleo e gás que listadas nos Estados Unidos terão que divulgar publicamente o valor das pagamentos feitas a governos estrangeiros a partir de 2012.

Uma nova legislação aprovada pelo Senado dos Estados Unidos exige que as empresas de petróleo e gás divulguem publicamente o valor das pagamentos feitas a governos estrangeiros a partir de 2012.

US shines a light

Transparency rules emerge from shadows of Congress

More Disclosure Will Help Investors and Oil Companies

Contrary to oil-industry assertions, the new transparency requirements for payments to governments, which we co-sponsored and were

this legislation, repeatedly consulting with people representing all sides of the issue.

tors not covered by the new U.S. law to have to follow the same rules, they should sup-

US law will make miners reveal pay to governments

By MATTHEW MURPHY

Washington impose une vraie révolution à l'industrie pétrolière

Rarack Obama a promulgué mercredi la loi Dodd-Frank sur la

INTERNATIONAL



Companies will be ordered to reveal foreign payments

By CRICK NICHOLS
THE WASHINGTON POST

Publicly traded oil, gas and mining companies will be required to disclose their payments to foreign governments over the

OK'd bill would require oil, gas, mining firms to report to SEC

ability that we are striving to achieve in the financial industry. Given the catastrophic events in the Gulf of Mexico, oil com-

cial reform bill in late May. "So often, oil money intended for a nation's poor ends up in the pockets of the rich

agement of its oil revenues," said Ian Gary, senior policy manager for extractive industries for DePaul University in

such as China, India, Brazil, and Russia," Oxfam officials said.

model C. Offenbacher Jr. said. "Transparency in these regions poses a long-term threat to national security, foreign policy, and economic interests in the United States."



How does this help EITI?



• AGENDA

Covers majority of largest international companies

Produce standardized data – will facilitate implementation

Help improve level of detail

Help the initiative move more quickly & expand

**EITI platform is
critical in all
resource-rich
countries**

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**Multi-stakeholder
Group**

EITI Board

**Knowledge center and
best practice exchange**

**More informed and
effective CSOs**





**PWYP calls on
OSCE to
Endorse EITI**



Your Leadership Needed!

Energy resource frontiers
more "risky"

Greater number of
players, more
competition for resources

Endorsement won't
commit BUT will promote
action

GO FOR IT!



publishwhatyoupay.org

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• AGENDA

Thank you!



Investors' Statement on Transparency in the Extractives Sector.



As institutional investors with exposure to companies operating around the world, we believe it is in the interest of the companies in which we invest to operate in a business environment that is characterised by stability, transparency and respect for the rule of law. These factors are essential to securing economic prosperity and social cohesion, which, in turn, enable the companies in which we invest to prosper. However, they are frequently undermined by poor standards of governance and transparency, which can give rise to corrupt operating environments.



BOSTON COMMON
ASSET MANAGEMENT, LLC



HBOS plc



We are concerned that extractive companies are particularly exposed to the risks posed by operating in these environments. Companies that make legitimate, but undisclosed, payments to governments may be accused of contributing to the conditions under which corruption can thrive. This is a significant business risk, making companies vulnerable to accusations of complicity in corrupt behaviour, impairing their local and global "licence to operate", rendering them vulnerable to local conflict and insecurity, and possibly compromising their long-term commercial prospects in these markets.



We believe that improved transparency about both payment and revenue flows is an important contributor to good governance by host governments, although its effectiveness will depend on the success of wider initiatives to combat corruption and the misuse of revenues.



We recognise that the root of the governance problem often lies in underdeveloped local capacity in many host countries. However, in the light of the G8 discussions on corruption and increased international attempts to create transparency about revenue flows, we believe that the corporate sector has an important opportunity to support government and multilateral institutions by taking action to protect its own long-term interests.



We acknowledge that the corporate sector cannot single-handedly reform long-standing business practices such as lack of transparency over payments to government, nor can individual companies act alone without compromising their immediate commercial interests. However, we believe that reform will give the extractive companies in which we invest an opportunity to be seen as contributors to, and not just beneficiaries of, economic development and reconstruction.





We therefore encourage the development of mechanisms to promote payments transparency that respect the following principles:



Confidentiality: to ensure that existing contractual agreements and commercially sensitive information are respected;

- Universality: to ensure that improved disclosure standards apply to all parties. This includes joint ventures, state-owned extractive companies and their host governments;
- Comprehensiveness: ensuring that all relevant payments and revenues paid to governments are captured, and
- Comparability: to enable data for different countries to be compared easily.



We commend the Extractive Industries Transparency Initiative (EITI) process led by the UK Government for seeking to develop an effective system of disclosure regarding payments in the mining, oil and gas sectors, which is supported by home and host governments, commercial and national companies, and other stakeholders.



Within the framework of the G8 discussions on payments transparency and the EITI, we are calling on the companies in which we invest to:



- Support the principles of payments disclosure developed by the EITI process;
- Work proactively with host country governments and other stakeholders, including other companies, to develop and implement payments transparency agreements within those countries that sign the principles;
- Become, or continue to be, active participants in the process to promote take-up of payments transparency agreements by host country governments that are not yet signatories to the principles.



We believe that the EITI principles may be relevant to other sectors, and welcome appropriate initiatives with similar objectives.



As institutional investors representing US\$12.3 trillion¹ we actively support the development of international mechanisms to address payments transparency, and encourage other investors to join us in this statement.



October 2006

WALDEN ASSET MANAGEMENT

Investment Managers

¹ This figure is approximate as the assets of certain signatories may be partially included in the Assets Under Management figure of the Association of British Insurers.



For further information on this Statement or contact details for the Investors listed below, please contact Karina Litvack, Director, Head of Governance & Socially Responsible Investment, F&C Asset Management plc – karina.litvack@fandc.com or 020 7506 1219.



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Calvert Group Ltd (US) – Lily Donge

Canadian Labour Congress (Canada)

CCLA (UK) – Neville White

Central Finance Board of the Methodist Church (UK) – Bill Seddon

Christian Brothers Investment Services (US) – John Wilson

Co-operative Insurance Society (UK) – Jo Allen

Crédit Agricole Asset Management (France) – David Diamond

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