



STAKEHOLDER FORUM STATEMENT BY PUBLISH WHAT YOU PAY UNITED STATES

February 18, 2009

Thank you for the opportunity to speak briefly on behalf of the twenty-seven member organizations of the Publish What You Pay United States coalition. There are two points we would like to emphasize at this forum. First, we must once again stress not just the importance of protecting our civil society colleagues, but also to reiterate that the fundamental tenant of the EITI is meaningful participation of civil society in the entire process, from commitment to validation. Secondly, the U.S. coalition is uniquely placed to comment on the broader efforts to promote resource revenue transparency, given the work our coalition is doing on the Extractive Industries Transparency Disclosure Act, legislation that complements and reinforces the EITI. We ask the EITI Board, Secretariat and all stakeholders to support and endorse the EITD Act, as we have all committed to mainstreaming the principles of the EITI.

Guaranteeing meaningful civil society participation

As has been emphasized several times during this conference, we continue to have problems with our civil society colleagues being harassed, intimidated, and even arrested, simply for doing their jobs as anti-corruption advocates. Although that is at the forefront of our agenda, we also want to emphasize that it's not just about keeping our colleagues out of prison, although that is too often the case. It is also about ensuring that civil society has an equal seat at the table and is participating as an equal partner in the process in an ongoing dialogue with governments, private sector and other stakeholders in a way that concretely contributes to or shapes EITI implementation. We want to maintain the integrity of the EITI by ensuring that the civil society component of the validation is not just a tick box based on rhetoric, but rather a meaningful exercise. This means examining both the freedom given to civil society to operate and also, perhaps more importantly, evidence of civil society's tangible influence on the EITI process in each country.

Encouraging mainstreaming of EITI principles

Publish What You Pay has, since its inception, called for mandatory disclosure requirements and has been pushing for mechanisms such as stock market listing requirements and international accounting standards requiring disclosure of natural resource revenues. In 2008, the United States Congress introduced the Extractive Industries Transparency Disclosure Act, which would require all entities registered with the Securities and Exchange Commission (the agency within the U.S. government with primary responsibility for enforcing federal securities laws and regulating the securities industry), both American and foreign, to publish their natural resource revenue payments to governments on an disaggregated, by-country basis. This would apply to many of the companies represented in

this room, and all governments in the world. We have heard from companies and investors alike that this bill is also in their best interest, as it levels the playing field for businesses who want to disclose payment information, and provides investors with the information they need to make the best business decisions. The bill is expected to be reintroduced this year.

There has been much speculation on what impact the EITD Act would have, if passed, on the EITI. We see EITI and the EITD Act as supportive and complementary. Both are key parts of the multi-faceted effort to address the resource curse. Let me be clear that we remain committed to the EITI – we see EITI’s engagement of civil society as invaluable. As we all know, transparency and accountability is not just about company payments. EITI’s national multi-stakeholder process for payment reconciliation and dialogue on extractive sector governance in producing countries is critical to guaranteeing accountability. As far as the data disclosure itself, the EITD Act goes farther than EITI because companies will be required to report payments to countries that have not yet signed up to EITI. However, the language of the bill is borrowed in large part from the EITI to streamline company reporting and without a doubt, the legislation falls squarely into the stated mission of the EITI, which is to mainstream extractive revenue transparency.

Again, EITD does not undermine EITI. EITD directly supports EITI by mainstreaming one specific aspect of the EITI process, that of company payment disclosure. It can help get new companies that are not currently participating in EITI to disclose payment information and help level the playing field for those companies that currently are. Indeed, we hope that EITD may encourage countries that might not have otherwise have considered joining the Initiative to do so, once the company payments have been made public.

Given the symmetry of mission and desired outcomes, we urge the EITI and its stakeholders to support the EITD Act and to see it as an opportunity for moving the agenda of resource revenue transparency forward. If we are serious about promoting transparency of natural resource revenue payments, we must not rely solely on one initiative, but rather, promote those that have the greatest potential impact. We believe that the passage of the EITD Act would translate into a tremendous leap forward in creating a global standard for natural resource revenue transparency, based on the principles of the EITI.

Again, on behalf of the entire Publish What You Pay United States coalition, I would like to thank you again for the opportunity to speak.

Members of the Publish What You Pay U.S. Coalition:

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