

PUBLISH WHAT YOU PAY



Publish What You Pay seminar 27 March 2003

List of Participants:

- | | |
|----------------------|---|
| 1. Micha Hollestelle | Pax Christi NL, National co-ordinator, chair meeting, |
| 2. Henry Parham | International co-ordinator Publish What You Pay |
| 3. Nils Langemeijer | Ministry of Economical Affairs |
| 4. Tim van Kooten | Shell Netherlands |
| 5. David Ugolor | ANEEJ |
| 6. Gerrit Ribbink | FACET BV |
| 7. Kirsten Hundt | Fatal Transactions/ NiZA |
| 8. Hille Linders | NiZA |
| 9. Yaron Oppenheimer | Ministry of Foreign Affairs |
| 10. Eva Wortel | Amnesty International |
| 11. Marcel Spaas | Fair Food |
| 12. Jan Ruysenaars | Oxfam-NOVIB |
| 13. Trinus Hoekstra | DISK |
| 14. Gerdien Dijkstra | VBDO |
| 15. Han Kooistra | NiZA |
| 16. Peter Pennartz | IRENE |
| 17. Sjoerd Panhuysen | Zuid Noord Federatie |
| 18. Jolien Schure | Fatal Transactions/ NiZA |
| 19. Henk Hartogh | NC- IUCN |

Purpose of the meeting

The seminar on 27 March 2003 was the first meeting in the Netherlands with a combined representation of signatories of the Publish What You Pay campaign, representatives of government, organisations and companies. The seminar was organised by Fatal Transactions and Pax Christi and took place at NiZA in Amsterdam. Aim of the meeting was to inform stakeholders about the campaign and to bring different stakeholders together to exchange information on the future perspective and possibilities of the campaign through an open dialogue.

Minutes of the meeting

Henry Parham (international co-ordinator PWYP-campaign) introduced himself as facilitator of the campaign with main task of strengthening the national coalitions and providing special support to Southern NGO's.

Parham introduced the campaign and its future perspectives. The campaign that was launched in June 2002 now counts 96 members. The campaign is a response to mismanagement in the extractive sector and aims to provide transparency of payments made by companies to governments. Commitment of companies to disclose data will provide NGO's and others with a possibility to hold their governments accountable the way these

revenues are spent. Final aim is poverty alleviation and development of these developing countries that are rich in terms of natural resources.

The campaign is well proceeding, however a wider international movement will be needed to spread the campaign. Ways the campaign uses to achieve its aims are: pursuing the stock exchanges, approaching European Union and International Financial Institutions to enforce disclosure. An outcome of the WSSD in Johannesburg is the Blair initiative. This Extractive Industry Transparency Initiative (EITI) resulted in a workshop (November 2002) and a stakeholders conference in February 2003. The campaign received good media-attention and national platforms have been set up in France. Efforts to build coalition in the US and Germany are well on their way. However, more work needs to be done. Hereby special focus should be given to the Southern NGO's.

Parham sees an **important role for Dutch NGO's** to involve their southern partners and hereby stimulate embeddedness and ownership of PWYP in the south. Furthermore, NGO's play an important role lobbying companies and government to be involved in the EITI and other legislation.

Micha Hollestelle (national co-ordinator of PWYP-campaign) explains that until now, there has been some discussion and information sharing with government, Shell and the MVO-platform about PWYP in the Netherlands. However, he hopes this meeting could be a start for Dutch NGO's to determine what angle is left for Dutch NGO's to actively support, sign up for the campaign and push the campaign to a further stage.

Nils Langemeijer (ministry of Economical Affairs) informs about the Dutch involvement in the Extractive Industry Initiative. Last February Nils Langemeijer represented the Dutch Government in the EITI workshop. 27 representatives of governments, 23 companies, 10 NGO's and 10 international organisations, World Bank and IMF attended this meeting that was organised by DFID.

Langemeijer considered the meeting very fruitful. It clearly showed the opportunities and bottlenecks of EITI. The idea of EITI is that governments prepare annual overviews with their revenues made and companies draw up templates with their payments.

Some of the problems and opportunities that arose on the workshop are: 1) countries maintain different norms, booking years, in-kind payments making it difficult to mainstream data. 2): Voluntary vs. mandatory rules. NGO's asked for binding rules. Most of the other participants opted for voluntary rules. 3): Southern participants emphasised on the responsibility of the host-countries of the industries. 4): Some asked for specification of revenues per oilfield, because of important role of regional governments. 5): Disclosure of individual company data is sensitive for competitive reasons. 6): Verifying and publishing the results. 7): What are political impediments in different countries because of national legislation. 8): International institutions as the World Bank and IMF could help in the process of standardisation of payments. 9): More information is needed about different national law and more specifics on other mining industry besides oil and gas industry should be searched.

The Netherlands is looking for possibilities to co-operate on voluntary bases. The Dutch government is able to publish its data and asked companies after their possibilities. Langemeijer argues in favour of a start on modest level; in order to get all countries involved on a longer term.

Tim van Kooten (Public Issue manager Shell Netherlands) Revenues from extractive industries are an important resource of government income in some poor countries. If this resource is well managed, it may offer great opportunities for development. Badly managed, it may increase poverty and lead to the so-called paradox of plenty.

Shell believes that publishing payments by both governments and companies is a good way to promote transparency. The quest for transparency should be inclusive and involve all actors. Reporting requirements should be made equally to other companies and states. A critical mass of countries should start voluntary by government commitment and this will become mandatory for companies. Shell is willing to open its individual data.

However, there are still some technical difficulties to overcome due to differences between countries and companies. The World Bank is an important player in the transparency issue and may facilitate a good start of EITI.

EITI is a promising initiative and it is possible as proofs the information that already becomes disclosed by commercial organisations. We referred to EITI in the latest Shell report. However, we should be careful since the process is still fragile, take our time, and work as responsible organisations altogether to make it to a success.

Micha Hollestelle (national co-ordinator PWYP) underlines that PWYP is not the same as EITI. There are other mechanisms besides the EITI. NGO's should keep pressure on all different levels, play along on the voluntary level, but keep pushing for mandatory.

What could a Dutch coalition signify? A Dutch contribution to PWYP could include adding knowledge on legislation, and regular meetings between NGO's, government and business. Because of its unique negotiation culture and close distance between different actors, regular platform meetings may be fruitful in determining ways in which to implement PWYP in Europe. Furthermore a Dutch coalition has ensure adequate information flows towards media and parliament; these have to remain aware of the transparency issue and measures that should be taken. It is essential to make sure the campaign becomes embedded in the South. Dutch NGO's can use its broad network of partner organisations to support this.

David Ugolor(African network of Environmental and Economic Justice/Jubilee Nigeria) The Publish What You Pay campaign is very useful for Nigeria. The transition process in Nigeria and the relative stability of the African area increases oil extraction. Civil society should become a watchdog for transparency. The capacity of civil society in Nigeria to take up this issue depends very much on the importance the issue is given by the donors. At this moment, the PWYP campaign appears to be a high profile subject in North and its media. This is not the case in the South. Western media emphasise on corruption in South, far less focus is given to the role of the North, and the profits western companies made in suppressed areas.

Moreover, PWYP can not work unless southern NGO's have the capacity to monitor as well. PWYP should emphasise to strengthen capacity of civil society in the South. Hereby questions should be asked as: What is happening in the South? What can we learn from past experiences? What information is needed? We should look for concrete past cases of relevance for PWYP. In fact, (international) financial institutions in the west do profit from non-transparency. Therefore, the campaign should also look at western banks where looted money is being deposited.

Southern NGO's do already focus on transparency issues. There should be synergy between the existing platforms and activities. It is difficult for southern NGO's to have open dialogue with governments and companies. We should enhance capacity of Civil Society in the south and adapt the campaign by workshops to the African context. Northern NGO's and Southern NGO's should create a platform and keep interfacing while lobbying. The role of World Bank and IMF is important for conditionally to governments. The benefits of the extractive industry should reach people in the south. Southern NGO's should lobby southern government. There is big potential for this campaign in the South. Ugolor is very willing to launch the campaign in Nigeria.

Questions and discussion (In sum main discussions)

All over the world

*The campaign includes all countries that have either natural resources or host extractive industries. Parham is looking forward to welcome upcoming coalitions from West Africa. Suggestion was made to send a Spanish PWYP activity brief and toolkit to partners in Latin America. Different countries may deal with different problems; focus on these cases may increase understanding.

Voluntary or mandatory legislation?

There was some discussion and questions about the issue of voluntary or binding rules for disclosing figures and data of governments and companies. There were several difficulties discussed that had appeared during the EITI workshop. Tim van Kooten of Shell and Nils Langemeijer of Economic affairs suggested to start with a few governments on voluntary bases, broadening in due time. Ownership is needed at both government and company level. A time schedule of five years was mentioned as a reasonable prospect for this international legislation to become broadly implemented.

It was argued that NGO's should not be too careful pleading for fast action and mandatory rules and hold their governments accountable for this process of committing to international legislation and most of all it's implementation. The campaign should target northern governments to act, for example on the G8 in Evian in June, where transparency is going to be a big issue.

Mainstreaming PWYP in Dutch policy

All participants in the meeting clearly agreed on the importance of transparency of government revenues of natural resources and its aimed contribution to poverty alleviation in developing countries.

The PWYP campaign was welcomed and suggestions were made to continue as NGO's to exchange information and discuss further on a Dutch strategy for the campaign. Experience from former campaigns (e.g. Fatal Transactions push for transparency of diamond industry in Kimberly Process) and involvement of Southern partners are important in this respect. Private business enterprises could play a big role by starting setting goals for themselves. Benchmarking CSR may help to reach these goals. Dutch NGO's can determine what is the link with other CSR initiatives and look for media attention to clearly launch the campaign in the Netherlands. In government policy, there will be searched for legislation suitable to the issue. NGO's should start dialogue with Dutch companies and bring the campaign under their attention as well as on European level.