



## **Public Statement to the Extractive Industries Transparency Initiative International Stakeholders' Workshop, 11-12 February 2003, London**

The Publish What You Pay (PWYP) coalition warmly welcomes the leadership of the UK Government and, specifically, the Department For International Development in convening this first international stakeholders' meeting of the Extractive Industries Transparency Initiative (EITI). Financial transparency is a necessary condition for good governance of mineral revenues for successful growth and poverty reduction in many of the world's poorest countries, and we look forward to a constructive dialogue with other stakeholders on how best to achieve this result.

The PWYP coalition is calling for a regulatory requirement - either as a stock-market listing rule or an international accounting standard – for revenue disclosure by oil, mining and gas companies. A regulatory requirement will waive individual confidentiality agreements without bringing companies into conflict with host governments. Voluntary disclosure is not a viable option because individual companies might be put at a disadvantage by disclosing information that others fail to reveal in many of those countries where transparency is most needed. Any administrative burden would be minimal because companies already know what they pay for internal accounting purposes.

Our coalition welcomes the expansion of the dialogue on transparency by the EITI to include host-country revenue streams from production sharing agreements and national companies (i.e. that governments should publish what they earn). Although there is no single solution to this latter problem, we believe that progress can be made through political leadership and appropriate agreements between multilateral institutions, financial bodies and governments. We do not believe that action on company disclosure should wait for progress on disclosure by specific host country governments.

The coalition acknowledges that a voluntary agreement incorporating company-level and country-level templates for disclosure may play an important role in enshrining international best practice and uniform standards for revenue disclosure. However, effective follow-up measures will be an essential component of any way forward, including:

- A commitment that any voluntary standards will shape future mandatory disclosure requirements for extractive industries.
- A commitment to create independent national monitoring bodies composed of civil society, government and industry representatives, which would assess compliance with the international disclosure standards, cross-check the data provided, and publish the results of their assessments. The International Monetary Fund, the World Bank and relevant regional development banks should participate in these bodies where appropriate and should incorporate any relevant disclosure templates into their own fiscal and data disclosure standards.
- A commitment by national and multilateral development assistance agencies to help implement disclosure measures in their specific country programmes and to build capacity amongst developing country civil society to monitor revenue information.

We look forward to working with you to shape concrete measures to achieve transparent and accountable management of mineral resource income.