

# PUBLISH WHAT YOU PAY

**Proud past, bright future**  
PWYP activities report 2012-2015

# Contents

"The whole is greater than the sum of its parts"  
– Aristotle

WHO WE ARE	3
LETTER FROM OUR CHAIRS	5
LETTER FROM OUR INTERNATIONAL DIRECTOR	6
CHAIN FOR CHANGE – A PWYP APPROACH	7
PWYP'S GOVERNANCE JOURNEY – AN UPDATE	23
IN WITH THE NEW – WHAT'S NEXT FOR PWYP?	24
PRACTICE WHAT YOU PREACH – PWYP'S FINANCES	25

# Acknowledgements

All content in this report is based on the extraordinary work and achievements of the Publish What You Pay (PWYP) members. It is compiled by the staff of the PWYP Secretariat, edited by Stephanie Debere and designed by Zerofee.org

The contents of this report are available to anyone, as long as credit is given to the Publish What You Pay Secretariat or the specific national coalition.

# Secrecy in extractives hinders development worldwide

**Publish What You Pay (PWYP) is a global coalition of civil society organisations (CSOs) united in their call for an open and accountable extractive sector worldwide.** Our vision is to ensure that oil, gas and mining revenues improve the lives of women, men and youth in resource-rich nations, and that extraction is carried out in a responsible manner that benefits countries and their citizens.

Our coalition is made up of more than 800 member organisations across the world, including human rights, development, environmental, legal, anti-corruption and faith-based CSOs. In 41 countries we have national PWYP-affiliated coalitions.

The rapid growth of the PWYP coalition is in itself a tremendous achievement. The campaign was launched by six London-based organisations in 2002 calling for extractive companies to publish the payments they make to governments for licences to extract natural resources.

PWYP is guided by the belief that coordinating the collective actions, skills and interests of a diverse coalition of CSOs is the most effective way to influence key stakeholders. Together we can drive policy and practice change in the extractive industries and the government sector.

We started by asking for revenue transparency. Today, our mandate has evolved and PWYP members around the world are campaigning for transparency and accountability all along the extractives value chain. Our members want to assess whether or not to extract, whether they are getting a fair deal and hold their governments to account for how oil, gas and mining resources and revenues are managed. We are proud of the impact we have had to date. In this report, we share some of our milestone achievements.

**Right:** Saw Matt works as a mine supervisor in Tigyit, where the largely unregulated coal industry has left villagers landless and unleashed a rash of health issues. ©Suthep Kritsanavarin / NRGi

## LETTER FROM OUR CHAIRS

# Our proud past has opened... The PWYP to a bright future

**The past four years have been extraordinary for PWYP.** We have grown significantly and have become a global family of over 800 civil society organisations. In 41 countries we have PWYP-affiliated coalitions using the PWYP logo as a sign of excellence bound by governance and membership standards.

We are united through our Vision 20/20 strategy in our campaign for a world where all women, men and youth benefit from their natural resources, not only today but also tomorrow.

We have a solid membership-driven governance structure in place, truly led by our most prominent campaigners and by our champions in every country. We have coordinated, catalysed and inspired major advocacy successes around the world, at global, regional and national levels.

Globally, in the European Union, Canada, Norway and the USA, regulations have been adopted which oblige major gas, oil and mining companies to publish their payments to governments for every project they are involved in. These mandatory disclosures will have a transformative impact on revenue transparency at a global level, and especially at a local level, allowing citizens to start tracking the funds.

We have successfully campaigned for an improved standard to be required by the Extractive Industries Transparency Initiative (EITI), going beyond revenue disclosures, embracing new elements such as licence transparency, beneficial ownership, contract disclosure and links to national budgets.

At a regional level, the national coalitions in Africa have been working towards equitable and transparent deals through implementation of the Africa Mining Vision and other regional legal frameworks.

At a national level, the majority of the PWYP-affiliated coalitions are engaged in revisions of mining and petroleum codes, ensuring the elements of a fair deal and overall transparency, as well as revenue sharing policies for local communities in the extractive regions.

Based on this foundation, PWYP's future is looking bright.

In early 2016 we will see a leadership change. Our current Director, Marinke van Riet, will move on and we will welcome Executive Director Elisa Peter, who will take over the reins at the next Global Assembly planned for late February 2016. We are very grateful to Marinke for her commitment, passion and dynamism, which helped galvanise PWYP's achievements to date. Thanks to her, PWYP has become a coalition of coordinated leaders and members from the north, the south, the east and the west.

Elisa takes over at an important time. The need for our work has never been greater. The impact of multinational companies is on the rise in all regions, presenting new challenges such as beneficial ownership, illicit financial flows and the need for tax justice. Key external challenges include climate change, low commodity prices and shrinking civic space.



Elisa has her work cut out for her. Under her leadership we have a golden opportunity to translate transparency into full accountability within the extractives sector. Thanks to 13 years of our collective campaigning we will be getting the information we need to truly hold companies and governments to account.

**Carlo Merla**, Chair of the Board and **Taran Diallo**, Chair of the Global Council, January 2016

LETTER FROM OUR INTERNATIONAL DIRECTOR

## Over and out – passing on the baton after an amazing journey

**As we are getting close to my departure from PWYP, I want to express my gratitude for the collective efforts, commitment and achievements we have made in the past four years.** I would like to specifically thank the following people whose support has been vital all along my leadership journey.

Firstly, the Secretariat team around the world for their continuous hard work, energy and dedication. They have worked tirelessly through PWYP's transition from operating under the aegis of the Open Society Foundation to an independent UK-based entity. Thanks to all my team members for their patience, humour and sustained energy throughout and beyond this process.

Secondly, the fantastic founding Board and Global Council, which are a great support to the Secretariat, particularly in developing a joint business plan to guide our work and to uphold our governance and membership standards.

Thirdly, to the donors without whose support, generosity and flexibility we would not have been able to build the movement to its current strengths. Thank you for being there for the long haul, as well as being open and responsive to an often rapidly changing context.

But most importantly, to all PWYP members for their continuous passion, commitment and guts, which I continue to be in awe of and inspired by. Our global family wouldn't be what it is today without each member's experience, expertise and contributions. As Desmond Tutu said, "When you stand out from the crowd it is because you are carried on their shoulders." Thank you for carrying me on your shoulders so generously since 2011. I will never forget it and I hope you will carry Elisa and all other leaders on your strong shoulders in the years to come.

**Onwards and upwards!**

**Marinke van Riet**, January 2016

## Chain for Change – a PWYP approach

**Transparency and accountability are required throughout the whole extractive process if citizens are to benefit from their natural resources.** Acknowledging this, in 2012 PWYP adopted a new strategy and expanded our remit from revenue transparency to cover all stages of the value chain. This twelve-step chain – of which we are highlighting nine steps here – illustrates a set of activities or steps that the extractive industry needs to perform in order to be open and accountable. The Chain for Change was created in consultation with our members, both online and in person over the period of a year.

[www.chainforchange.org.uk](http://www.chainforchange.org.uk)

1

PAGE 8

WHAT ARE OUR NATURAL RESOURCES?

2

PAGE 9

WHAT IS THE NATURAL RESOURCE FRAMEWORK?

3

PAGE 11

TO EXTRACT OR NOT TO EXTRACT?

4

PAGE 13

HOW TO ENSURE THE BEST POSSIBLE DEAL?

5

PAGE 14

HOW TO MONITOR THE PROJECT?

6

PAGE 16

WHAT PAYMENTS ARE COMPANIES MAKING?

7

PAGE 19

DID THE MONEY REACH THE STATE?

8

PAGE 20

WHERE SHOULD THE MONEY GO?

9

PAGE 22

DID THE MONEY GET THERE?

## Step 1: What are our natural resources?

Without full information on the quantity, quality and location of a country's natural resources, its citizens will not be able to make informed decisions over whether and how resources should be extracted, and whether they are getting a fair deal for those that are.

### UNDERSTANDING NEW MINING ACTIVITIES TO ENSURING COMMUNITIES' OWNERSHIP RIGHTS ARE CONSIDERED IN MALI

In Mali, PWYP Mali has been working to ensure that the land registry is up-to-date and accessible. Land registries are very important for the rights of communities: if a new mining project starts in rural areas, villagers whose lands are impacted can be compensated. If the mining company doesn't register its land use, the rights of the communities as owners of the land will not be taken into consideration and they will not be compensated.

**PWYP Mali:**  
<http://www.publishwhatyoupay.org/members/mali>

**Below:** Embarrassed by the picture, Mehrnigor places her hand, blackened by coal, to her mouth to hide a smile. ©Negar Behzadi / PWYP-affiliated coalition, Tajikistan



### BETTER UNDERSTANDING RESOURCE DISTRIBUTION IN TAJIKISTAN

Since Tajikistan became independent in 1991, the authorities have not invested in geological surveys, meaning that the only information available dates back to Soviet times and is stored in archives in Moscow. In response, the PWYP-affiliated coalition, Transparency for Development, researched the mapping done by private companies, compiling a map of natural resource deposits. The coalition collected and disclosed information about 25 mining companies working in the country, including information on licences and types of activities. It then made that information accessible and is now working with local communities to raise awareness among Tajik citizens about their natural resources and the need to manage them soundly, as people living nearby do not know what resources exist in their area.

**Transparency for Development:**  
<http://www.publishwhatyoupay.org/members/tajikistan>

**Company mapping:**  
<http://tfd.tj/directory>

**Natural resource deposits map:**  
[http://tfd.tj/deposits\\_map](http://tfd.tj/deposits_map)

## Step 2: What is the natural resource framework?

Legal frameworks for the oil and mining sector have a strong influence on the implementation of a country's natural resource management. They determine the rules for how resources are exploited and managed – for example, whether, and how much, revenue goes directly back to extractive communities; how profits from resources are taxed and whether contracts will be made public. Regulatory frameworks present a real opportunity to integrate good governance practices into extractive processes from the start.

### MINING REFORM IN ZIMBABWE

Launched in 2011, PWYP Zimbabwe has campaigned to influence amendments to key mining legislation, so that the country does not continue to lose millions of US dollars each year in tax and royalties. Key regulations include the proposed Diamond Revenue Bill, the Mines and Minerals Amendment Bill, the Mineral Policy and the constitutional reform process. PWYP Zimbabwe has also worked to raise awareness of the Africa Mining Vision (AMV), and campaigned for its implementation – particularly aspects that relate to transparency and accountability. The AMV is a strong starting point for campaigners, as African governments have already committed to it, recognising the need for reform.

**PWYP Zimbabwe:**  
<http://www.publishwhatyoupay.org/members/zimbabwe>

### LAW ON MANDATORY DISCLOSURES IN UKRAINE

The Ukrainian government is finalising a new draft law which includes mandatory disclosure requirements in accordance with the EU Trans-

parency and Accounting Directives. The PWYP-affiliated coalition, **EnergioTransparency**, is working closely with the Ministry of Energy to ensure that the law is robust. To get this law adopted will be a key goal for the coalition in 2016.

## STRONGER LEGAL FRAMEWORK FOR CSOs IN TUNISIA

Tunisia's 2011 revolution overthrew the government and launched the Arab Spring across the region. A lesser known result has been the increase and strengthening of civil society. CSOs played an important role in the passing of a new constitution – a critical step toward transparency and good governance. The **PWYP-affiliated coalition in Tunisia** produced a paper about the existing legal framework for the extractive sector, and its incongruence with the new constitution. Members have since campaigned for the government to translate articles of the new constitution related to natural resource governance into laws to guarantee overall transparency and accountability.

## NEW MINING CODE IN BURKINA FASO TO UNLOCK GOLD REVENUES

Members of **Mines Alerte PWYP Burkina Faso** have been campaigning tirelessly with other CSOs for a mining code that reflects the interests of all. The coalition campaigned for one per cent of mining company revenues to be given in tax to local communities – a goal that was achievable, significant and a doubling of what was proposed. In June 2015, the transitional parliament passed **a new Mining Code**. This is a notable step forward, abolishing the previous 10 per cent tax break on mining company profits and requiring companies to pay one per cent into local development funds. By doing so, the new Mining Code may secure a brighter and more sustainable future for many generations to come.

## ACTIVIST: CIELO MAGNO, BANTAY KITA (BK)

*"I grabbed the opportunity I was given to join BK-PWYP Philippines, because I know that resource extraction is an area that really needs reform."*

**Cielo Magno from Bantay Kita (The Philippines):**  
<http://www.publishwhatyoupay.org/activists/cielo-magno>

**EnergioTransparency Coalition:**  
<http://www.publishwhatyoupay.org/members/ukraine>

**PWYP Tunisia:**  
<http://www.publishwhatyoupay.org/members/tunisia>

**PWYP Burkina Faso:**  
<http://www.publishwhatyoupay.org/members/burkina-faso>

**New mining code in Burkina Faso:**  
<http://www.publishwhatyoupay.org/new-mining-code-to-unlock-gold-revenues-for-the-future-of-burkina-faso>

**Africa Mining Vision:**  
<http://www.africaminingvision.org>



## Step 3: To extract or not to extract?

CSOs can help ensure that communities are fully informed of the potential consequences, benefits and drawbacks of an extractive project. Impact assessments should be carried out in a transparent and independent manner and made accessible to local communities, and compensation should be planned for any anticipated detrimental effects.

## COMMUNITY ENGAGEMENT IN KYRGYZSTAN

In Kyrgyzstan, the **PWYP-affiliated coalition** works to ensure that communities affected by extractive activities have access to information about these activities, and have a voice which is heard and respected. In 2012, the coalition undertook a community survey near mining sites. This revealed that over half of respondents had a negative attitude towards mining companies. More than 60 per cent were concerned with potential environmental damage from mining operations, and a large number believed that mining companies did not contribute enough to local development. In Alu-Buka in 2012, the local population even resorted to blocking the work of the new gold mine, Kazakhmys Gold. In response, **PWYP members organised a series of negotiations between citizens, local government and companies** through the coalition's public meetings. After two years' of discussions, the community signed an agreement with Kazakhmys Gold and the local authorities. Providing information about the mining was an important element in creating trust among the communities. PWYP Kyrgyzstan also monitors individual projects to increase knowledge of extractive activities in the country.

## RECLAIMING WHAT'S THEIRS - INFORMED CONSENT AND COMMUNITY PARTICIPATION IN UGANDA

In Buseruka, Uganda, three years after acquiring the land from the community, the government had still not fulfilled its promise of adequately resettling and compensating families affected by oil extraction. For over three years PWYP Uganda's members have been actively involved in fighting for the right of communities to be compensated and resettled. Having worked with affected communities directly on the options available (cash or land) and their consequences, **PWYP Uganda** has campaigned to improve the understanding of valuation exercises and the property value in communities, as well as ensuring fair and adequate compensation. In Buseruka, PWYP Uganda organised awareness-raising meetings and worked to ensure that both men and women are consulted over mining operations and that they both give their consent.

**PWYP Kyrgyzstan:**  
<http://www.publishwhatyoupay.org/members/kyrgyzstan>

**From Kyrgyzstan with Love:**  
<http://www.publishwhatyoupay.org/pwyp-resources/from-kyrgyzstan-with-love-a-documentary-on-communities-and-mining/>

**PWYP Uganda:**  
<http://www.publishwhatyoupay.org/members/uganda>

## INDIGENOUS PEOPLE'S RIGHT TO INFORMED AND PRIOR CONSENT IN THE PHILIPPINES

To ensure that **free, prior and informed consent** is part of the development of extractive projects, **Bantay Kita-PWYP Philippines** has worked to mainstream such consent in mining negotiations between indigenous people and mining companies. Over the years, processes to obtain consent have often been subverted, with mining companies exhibiting a pattern of manipulation. Bantay Kita has conducted numerous outreach and capacity-building sessions with indigenous people, during which it has provided communities with a space for reflection on the impact of mining on their everyday life and welfare. In the future, Bantay Kita aims to help indigenous people formally organise themselves and will therefore continue its capacity-building work, especially by creating meaningful engagement with different stakeholders.

**BK-PWYP Philippines:**  
<http://www.publishwhatyoupay.org/members/philippines>

**Free, prior and informed consent:**  
[https://en.wikipedia.org/wiki/Free\\_prior\\_and\\_informed\\_consent](https://en.wikipedia.org/wiki/Free_prior_and_informed_consent)

### ACTIVIST: JACQUES SAHAM, CHAD

*"We want them [the communities] to understand both the possible benefits and the harm that oil can cause in Chad."*

**Jacques Saham, Chad:**  
<http://www.publishwhatyoupay.org/activists/jacques-saham>



**Below:** New Generation's Rights. ©Iraqi Alliance for Transparency in Extractive Industries / PWYP coalition in Iraq



## Step 4: How to ensure the best possible deal?

The licences and contracts which determine whether an extractive deal is fair to a country's people must be awarded in a transparent manner. To ensure that contracts reflect the interests of the whole citizenry, bidding should be competitive and public, and contracts should be published.

### FAIR TAXES AND ILLICIT FINANCIAL FLOWS IN ZAMBIA

In Zambia, where large-scale mining dates back more than a century, **PWYP Zambia** helps affected communities achieve maximum benefit from extraction. The coalition has worked on a detailed study of the contribution of mining taxation to Zambia's economic development. The main findings revealed several flaws with the mining taxation system. These include a lack of a clear policy on how to maximise revenue earnings from mining companies; the heavy influence of lobbying and pressure on mining taxation; how secrecy and unwillingness to disclose information prevail around mining taxation, and how the revenue authorities are unable to properly audit and verify mining companies. PWYP Zambia is campaigning to improve public scrutiny of mining company finances and will continue to promote solutions such as building the government's capacity for auditing; a windfall tax system, and mining taxation to be included in the national development policy framework.

**PWYP Zambia:**  
<http://www.publishwhatyoupay.org/members/zambia/>

### GETTING A FAIR DEAL THROUGH CONTRACT RENEGOTIATION IN NIGER

**Niger's PWYP coalition**, known as Réseau des Organisations pour la Transparence et l'Analyse Budgetaire (ROTAB), campaigned relentlessly for the country to get a fair deal as the government renegotiated its uranium extraction contract with Areva, a French multinational group owned in majority by the French government. PWYP Niger/ROTAB made strong calls for Areva to respect the country's 2006 Mining Code.

Despite an evidence-based advocacy campaign mobilising citizens, civil society, musicians and the media, PWYP Niger/ROTAB has not been able to verify whether its aims had been achieved, as the contracts are yet to be fully published. This violates the constitution, which stipulates contract transparency. Through informal information gathering, PWYP Niger/ROTAB found out that despite its strong mining code, the government chose to circumvent its own law and regulations to please Areva. PWYP Niger/ROTAB will continue to monitor the deal and share information with the rest of the country, as well as to press Niger's government to stand up against the French

**PWYP Niger:**  
<http://www.publishwhatyoupay.org/members/niger-3>

energy giant.

#### ACTIVIST: IBRAHIMA SORRY DIALLO, SENEGAL

*“Senegal’s negotiation power with the companies is weak because of the government’s lack of experience and expertise, and because of pervasive corruption. This results in the government working in partnership with companies and against civil society and citizens’ best interests. To better work on this issue, I went to other mining countries, including Ghana and Mali, to get inspiration from the experiences of civil societies there.”*

**Ibrahima Sorry Diallo, Senegal:**  
<http://www.publishwhatyoupay.org/activists/ibrahima-sorry-diallo-2>



### Step 5: How to monitor the project?

Civil society has a crucial role acting as a watchdog and providing oversight of mining operations. Projects need to be monitored by government and industry, but also through independent civil society mechanisms. This helps ensure that any changes in circumstance or contractual breaches can be rectified, for example, through legal recourse for human rights abuses or via extra compensation or other means.

#### GENERATING OPEN DATA IN INDONESIA

In West Kalimantan, a region of Indonesia rich with bauxite, PWYP Indonesia’s member the **Swandiri Institute** led participatory community remapping of land use and resources. This revealed that the current land-use allocations ignored customary tenure rights, resulting in unfair licensing for mining companies and harmful use of lake water in mining processes. Villagers joined an activists’ initiative to build a drone to obtain fresh data on land-use planning. They discovered that settlements had been rearranged, violating their rights to agricultural land and customary forests. With this information, communities demanded a review of overlapping licences, a ban on the use of lakes, and greater accountability so that mining companies fulfil their obligations to the communities.

**Swandiri Institute:**  
<http://www.swandiri.org>

#### THE IMPACT OF LOW COMMODITY PRICES ON CITIZENS IN MONGOLIA

Mongolia has sought economic growth through legal reforms and especially using its most precious asset – natural resources – as a coping mechanism to fight the current economic crisis. Creating the right legal environment to promote economic growth makes logical

**PWYP Mongolia:**  
<http://www.publishwhatyoupay.org/members/mongolia>

sense, but the **PWYP Mongolia** has been looking into who is really paying the price of such investor- friendly reforms. It has monitored the impact of the environmental law on water source. This law protects 30 per cent of the land around rivers and forests in Mongolia. After the law came into force in 2011, 242 mining companies which had been granted licences had to suspend their operations. But the coalition found that an amendment to the law has made the protection of water sources irrelevant, as it will allow mining companies to re-initiate their operations. This is likely to result in the destruction of the water sources through pollution.



#### ACTIVIST: FAITH NWADISHI, NIGERIA

*“I have a strong passion for this [transparency] question as it is an issue close to my heart. I grew up seeing a lot of the injustices surrounding natural resources, yet people have a right to ownership, a right to a voice.”*

**Faith Nwadishi, Nigeria:**  
<http://www.publishwhatyoupay.org/activists/faith-nwadishi>

**Below:** Drone Technology has huge promise in extractive governance for spatial transparency.  
 ©Swandiri Institute / PWYP member in Indonesia



## Step 6: What payments are companies making?

PWYP has been campaigning since its inception for both mandatory revenue disclosures and for the voluntary EITI. These are the two key campaigns at global level to which we have dedicated significant effort and resources.

### Making revenue and payment disclosures mandatory

Thanks to PWYP's campaigning success, there are now regulations in the European Union, United States, Norway and Canada that oblige listed and registered companies to publish their payments to governments for every country and for every project. Similar laws are being developed in several further jurisdictions.

### THE LONG ROAD TO SUCCESS IN THE US

In the US, the campaigning efforts of PWYP US and other PWYP coalitions culminated in the passage of the Cardin-Lugar provision (Section 1504 of the Dodd-Frank Act) in July 2010, which obliges all US listed companies to publish what they pay in the countries in which they operate. But despite this significant success, it took several years for the rule to be adopted by the Securities and Exchange Commission (SEC). To convince the SEC of the importance of this rule would have beyond the capacities of PWYP US, over 500 PWYP members from around the world wrote letters to the SEC detailing how they would use project-level payment information to hold companies and governments accountable in their countries. In December 2015, the SEC finally released its updated rule – more than five years after the adaptation of the Dodd-Frank Act's adoption.

### MANDATORY DISCLOSURE: THE EU TAKES THE LEAD

Campaigning by PWYP members in Europe and beyond led to the EU adopting a strong set of disclosure requirements for the extractive industries. The **EU Accounting and Transparency Directives** require oil, gas, mining and logging companies to publish payments made to governments for access to natural resources. The deadline has now passed for EU Member States to pass implementing legislation to bring payment reporting into law, a number of countries are yet to do so. In response, the European Commission has sent a formal notice to each – the first step towards infringement proceedings which could ultimately lead to prosecution in the European Court of Justice. PWYP will be closely monitoring this process and is already pressuring the Commission to act swiftly. A small number of countries, including Austria, France and the UK, implemented the Directives quickly, so we will start to see company reports from those countries in 2016. Most other countries will require publication of payments a year later.

**What it means for Iraq:** With Iraq's heavy reliance on oil for its budget and such low levels of development, promoting transparency and accountability is critical for the country's future. Many of the extractive companies operating in Iraq are New York-listed companies, including Chevron, ExxonMobil and Royal Dutch Shell. PWYP Iraq (Iraqi Transparency Alliance for Extractive Industries) has therefore called for strong regulations in the United States, to help PWYP Iraq better understand the use of its country's natural resources.

**Why it matters for Zimbabwe:** Because of limited access to data, PWYP Zimbabwe's work to uncover revenue leakages worth hundreds of millions of dollars was arduous. With mandatory disclosures, such information will not only be available, but should also be complete and accurate. This would allow the coalition to press the country's government to use all the revenues from the sector for the good of its people.

**EU Accounting and Transparency Directives:** <http://www.publishwhatyoupay.org/pwyp-resources/pwyp-fact-sheet-on-eu-accounting-and-transparency-directives-nov-2013>

### ONE COUNTRY'S MAJOR IMPACT: MANDATORY DISCLOSURES IN CANADA

PWYP Canada has focused efforts on obtaining mandatory payment disclosure standards for companies registered or publicly traded in Canada. In December 2014 the government passed into law the **Extractive Sector Transparency Measures Act** as part of omnibus legislation Bill C-43. The Act requires publicly traded and large private oil, gas and mining companies to openly disclose payments to governments, not just in Canada, but around the world. The administrative guidance and technical reporting specifications, which will give more precise details of what and how companies have to report, are still being finalised. PWYP-Canada played a direct role in securing governmental support for this legislation, and has been a key member of the Canadian Government's Administrative Guidance Working Group, developing the accompanying guidance and specification documents.

### NORWAY CLEARS THE WAY FOR GLOBAL TRANSPARENCY

PWYP Norway has been working on campaigning and advising on mandatory disclosure rules and the introduction of country-by-country reporting at the national level and in conjunction with other European members for several years. In late 2013, Norway introduced a mandatory disclosures law, and in early summer 2015, its parliament, agreed to **strengthen country-by-country regulations**. Significantly, this law requires companies working in the extractive and forestry industries to report on investments in tax havens, which they could previously avoid. This is a great victory for the transparency movement in its quest for an exemplary global transparency standard.

**PWYP Canada:** <http://www.publishwhatyoupay.org/members/canada>

**Extractive Sector Transparency Measures Act:** <http://open.canada.ca/en/consultations/key-elements-extractive-sector-transparency-measures-act>

**PWYP Norway:** <http://www.pwyp.no>  
<http://www.publishwhatyoupay.org/members/norway>

**Country-by-country regulations:** <http://www.publishwhatyoupay.no/en/node/16414>

### PWYP and the EITI – the huge potential of voluntary disclosures

Between 2012 and 2015, many PWYP members dedicated significant efforts to strengthening the EITI, both at global and national levels. Countries such as the Philippines, Ukraine, Malawi and the United Kingdom joined the initiative as a result of strong PWYP campaigning.

In each country, civil society was able to influence the process of implementation effectively, from determining the content of reporting under the EITI to disseminating the disclosed and reconciled data. In Nigeria and Mongolia, PWYP broke new ground by requiring that EITI processes also include the environmental impact of extraction. At the global level, the biggest win for the coalition was the adoption of a new EITI Standard in May 2013, which considerably extended the scope of disclosure along the value chain. Since then, citizens in EITI implementing countries have had access to data relating, for instance, to licence allocation, production, state-owned enterprises, social payments, sub-national transfers and many more aspects of natural resource management.

A strong push for better protection of civil society participation in the EITI process has been necessary in several countries where PWYP members are active. Civil society representatives on the EITI Board

fought hard for the adoption of a Civil Society Protocol in late 2014 that made explicit the need for EITI implementing countries to ensure an enabling environment for genuine and effective civil society engagement. Subsequently, the EITI Board decided to sanction Azerbaijan for its crack-down on local civil society groups – another important victory for our global movement, which seeks to defend independent activists facing retaliation for asking uncomfortable questions.

Governance reforms of national multi-stakeholder groups are also needed to unlock the potential of the EITI Standard. In 2014, independent research institute MSI Integrity looked at the governance practices of these groups and discovered various deficiencies keeping civil society representatives from having real influence in the EITI. Many PWYP members have since been working on reforming the national multi-stakeholder groups, while also making efforts to better coordinate and consult broader civil society at the national and sub-national levels.

Finally, but most importantly, PWYP coalitions in numerous countries have played a crucial role in disseminating and using the information produced by EITI reports. In the Democratic Republic of Congo, for instance, PWYP has established a training programme for local radio journalists who can take the insights gained from EITI reports directly to local communities. Accurate knowledge about land use was gained by PWYP Indonesia by astutely extracting relevant data from EITI reports. PWYP Niger/ROTAB used the findings of the 2010 EITI report as ammunition in its campaign for a fair deal with the uranium giant Areva.

**Below:** The future is uncertain for children growing up around Myanmar's largest copper mine, where violent clashes have erupted between security forces and residents protesting land grabs. ©Lauren DeCicca / NRGi



## Step 7: Did the money reach the state?

To ensure that money is not siphoned off or 'lost', governments need to be transparent and report their natural resource revenues (at all levels of government). Civil society should be able to track payments and revenues for each project and ensure the amounts which companies pay match what governments receive.

### THE MISSING \$20 BILLION IN NIGERIA

**PWYP Nigeria:**  
<http://www.publishwhatyoupay.org/members/nigeria>

PWYP Nigeria has been seeking the release of an audit report commissioned by the federal government to investigate an allegation made by the then Central Bank governor of Nigeria that the Nigeria National Petroleum cooperation (NNPC) could not account for \$20 billion of revenue. The investigation was carried out by a reputable international auditing firm, which presented its report to the Federal Minister for Finance, but only selected sections were made public. In response, PWYP Nigeria wrote two letters requesting to see the full report through the only means available – the Freedom of Information Act. The first letter was ignored. The second specified the sections of the law that require the minister to honour the request. In his response, the minister advised that PWYP channel its request to two agencies involved in the NNPC and the office of Nigeria's Auditor General. The agencies in turn responded by requesting that PWYP direct its Freedom of Information request to the Presidency and the Secretary to Nigeria's government. After several years of campaigning by PWYP, the report was finally released by the new Nigerian government.

### HOW TO ENSURE COMMUNITIES BENEFIT FROM MINING IN THE PHILIPPINES

**BK-PWYP Philippines:**  
<http://www.publishwhatyoupay.org/members/philippines>

The southern Philippine province of Compostela Valley is rich in copper and gold, and is the main extractive contributor to the entire Davao region. More than 80 per cent of the province has been designated as ancestral domain, yet indigenous people miss out on any benefits from mining as there is no systematic way of collecting royalties from mining enterprises, large or small, on their ancestral lands. As well as a lack of transparency, there are also cases of unauthorised mining. In response, BK-PWYP Philippines organised a workshop for indigenous people whose lands are used for mining, and government representatives. It aimed to come up with a revenue code that systematises the process of collecting mining royalties, while reflecting indigenous law. BK-PWYP has partnered with government agencies in this project and in 2016 will present the agreed proposal to the provincial parliament.

## TACKLING ILLICIT FINANCIAL FLOWS IN INDONESIA

Indonesia ranked seventh among developing countries in terms of illicit financial flows (IFF) during 2003-2012. In 2014 such flows were estimated at \$20 billion. The mining sector accounts for \$2 billion of this, mainly derived from inaccurate invoicing. Recently, PWYP Indonesia conducted a study on IFF and tax crime in Indonesia's mining sector. It made clear recommendations on how to tackle these issues, including revisions to the fiscal regime and complete revenue transparency.

**PWYP Indonesia:**  
<http://www.publishwhatyoupay.org/members/indonesia>

**IFF and tax crime:**  
<http://www.publishwhatyoupay.org/pwyp-resources/illlicit-financial-flows-and-tax-crime-in-mining-sector-in-indonesia/>

## Step 8: Where should the money go?

Civil society has a role to play in pushing for budget transparency, as well as advocating over budget prioritisation and allocation. This helps ensure that revenue earned from extractives is allocated transparently and equitably.

## PARTICIPATORY PLANNING IN ZAMBIA

In Mufulira district, PWYP Zambia has convinced authorities to openly share information on how much the district receives from mining companies. To ensure that communities' views are taken into account, PWYP Zambia is now campaigning for the local council to review proposals from communities themselves on how they would like revenues to be used. Because the bigger proportion of payments made by the companies goes to the central government and takes time to be distributed to the mining communities, PWYP Zambia is focusing on payments made directly to the local authorities. Its proposal is for a certain percentage of the money paid by the extractive companies to the district to go to the local communities as social payments and for recreational activities, instead of all the revenue going to the local council's administrative budget.

**PWYP Zambia:**  
<http://www.publishwhatyoupay.org/members/zambia>

## EVIDENCE-BASED ADVOCACY FOR FAIR REVENUE DISTRIBUTION IN TUNISIA

To address the lack of equitable revenue distribution from natural resource revenues, the PWYP-affiliated coalition in Tunisia produced a research paper exposing problems that have emerged from the extractive industries across the country. These include environmental damage such as pollution of water tables and air; health concerns from toxic materials spread from phosphate; widespread unemployment, with no job prospects for community members in key extraction regions, and a lack of improvement in living conditions.

**PWYP Tunisia:**  
<http://www.publishwhatyoupay.org/members/tunisia>

These have combined to generate social unrest. In several regions, PWYP Tunisia found that corporate social responsibility projects were weak and did not respond to community needs. Using this evidence, the Tunisian coalition is advocating for resource revenues to be better spent to solve each specific problem.

## CREATING AN ECONOMIC DIALOGUE BETWEEN COMPANIES AND COMMUNITIES IN IRAQ

The Iraqi Transparency Alliance for Extractive Industry held an economic forum to discuss corporate social responsibility and how companies' payments can be transformed into sustainable development for the citizens of Iraq. The forum was based on the findings of the latest Iraqi EITI report, in 2012, where international oil companies operating in Iraq reported social expenditures ranging from \$2,000 to \$11.7 million. The coalition created this platform to generate recommendations on how best to spend the money from such payments. They came up with eight recommendations, including:

1. Publish on local government websites the social benefit expenditure plans agreed by companies and local government (at the governorate level), after consultation with local community based organisations;
2. Publish the names of companies that hinder/impede the implementation of projects supported by social benefits payments.



### ACTIVIST: REINFORD MWAGONDE, MALAWI

*"Why ask for money from donors when we have enough money, enough resources, to support ourselves? We need to make sure this money is properly accounted for...and that this money is put to good use so that the people are able to benefit from it."*

**Reinford Mwangonde, Malawi:**  
<http://www.publishwhatyoupay.org/activists/reinford-mwangonde>



### ACTIVIST: RANO JUMAeva, TAJIKISTAN

*"So far...most of the people that live in the regions of extraction do not know how much money companies pay and how much money should return to the region."*

**Rano Jumaeva, Tajikistan:**  
<http://www.publishwhatyoupay.org/activists/rano-jumaeva/>

## Step 9: Did the money get there?

Once revenue has been allocated, civil society can monitor whether the money reached its agreed destination, and advocate for rectification if it goes missing en route.

### PWYP CONGO STUDY ON HEALTH SECTOR REVENUE USE

To find out where the revenues from the extractive industries in the country have been going and why, PWYP Congo has been following the money during the last few years. In a report launched in December 2015, the coalition examined the health budgets of 2011, 2012 and 2013 and how proposed projects were being implemented. PWYP members made eight field visits, covering 192 projects, resulting in a number of key findings.

**PWYP Congo:**  
<http://www.publishwhatyoupay.org/members/republic-of-congo>

#### 2015 report – key findings:

- More than half (56 per cent) of projects listed in the budgets had not been started;
- Only 16 per cent of projects were complete and only 9 per cent were functioning. Some buildings had been constructed but not yet equipped or did not meet required standards;
- 16 per cent of projects had been abandoned and were not salvageable.

### ALLOCATING FUNDS TO COMMUNITIES AFFECTED BY OIL EXTRACTION IN GUINEA

PWYP Guinea has been a key actor in the successful campaign for a revenue sharing policy, allocating funds from extractives both to affected communities and other regions. At the local level, there will be full payment of annual taxes to each community in proportion to its size in terms of land area. Companies are also required, under government guidance, to make a Local Development Agreement with authorities affected by extractive activities. This agreement is intended to minimise the negative effects of extraction, through infrastructure construction and the financing of development programmes agreed between communities and companies. At the national level, 15 per cent of the mining tax, fixed duties, tax on quarry substances and craft production goes into a Local Economic Development Fund. This contributes to the budgets of all local authorities in the country, helping to redistribute income from mining taxes at national level.

**PWYP Guinea:**  
<http://www.publishwhatyoupay.org/members/guinea>

**Below:** Although the number of fish has been decreasing due to the impact of the extractive industry, a fisherwoman in Tayan Hilir still has go to Bekat Lake at the dawn every day.  
©Diah Tantri / PWYP Indonesia



# PWYP's governance journey – an update

From its launch in 2002 until 2015, PWYP operated under the legal framework of the Open Society Foundation (OSF) in London. In 2014, the then Global Steering Committee decided that PWYP would become formally independent of OSF, and a process was initiated to develop the structures and procedures that would enable it to function independently. The transition from OSF was completed in late August 2015.

PWYP is registered in the UK as a company limited by guarantee, due to the high levels of transparency required, which are in line with the PWYP strategic pillar 'Practice What We Preach'. We are in the process of applying to register as a charity with the UK Charity Commission.

PWYP is a coalition that includes mainly national coalitions made up of local organisations, and member organisations in countries where there are no national coalitions. This section refers only to governance of PWYP at a global level. National coalitions have their own governance structures, and are in principle autonomous, but must adhere to the PWYP coalition membership standards.

The coalition members govern PWYP and operating collectively are themselves the primary actors on the global stage. They employ a small decentralised secretariat to facilitate and coordinate their collective activities.

### PWYP MEMBERS HAVE DEVELOPED THREE LEVELS OF GOVERNANCE:

The **Global Assembly** of all members, which is the ultimate authority within PWYP and responsible for electing and appointing the Global Council. It meets every three years.

The **Global Council (GC)**, previously the Global Steering Committee (GSC). The GC is made up of ten members and ensures that strategy and policy positions adopted by PWYP reflect the perspectives of the wider membership (each region is represented). It is also responsible for appointing the Board. Its term is three years.

The **Board**, which takes legal responsibility for PWYP and ensures the integrity of its financial and legal frameworks. The Board comprises both PWYP members and non-members based on the competencies required. Its term is also three years.

To support the triple governance structure, a decentralised **Secretariat** exists to execute decisions made by the governance structures as well as support the national coalitions and coordinate international advocacy.

## In with the new – what's next for PWYP?

**As we enter a new phase of PWYP's development, we look ahead to some of our key areas of work for the next few years.**

**Using the data;** From 2016, member after member in the EU will start releasing extractive country and project data, creating an information avalanche. This will be useful information, which we have been demanding for years. But it will be in large volume and often complex. For citizens and CSOs to truly benefit from this data wave, we need to know what to look for and where to look. We need to become data experts using all the sources available, particularly the EITI reports. To this end, PWYP has initiated an innovative Data Extractors programme for our coalitions in both home and host countries of extractive companies that are subject to mandatory disclosures. The coalitions involved will work on using data meaningfully during a yearly cycle.

**Environmental impact;** From the Philippines to Cameroon, our members are making us aware that climate change and the environment are not topics we can ignore. This is not to say that we should immediately change our mandate entirely. However, we do need to explore how climate change issues and the socio-environmental impacts of extractive industries affect our theory of change and our campaigns, and how we can integrate these issues into our existing work.

**Fair deal - Tax justice and illegal financial flows;** Tax avoidance, incentives, illegal financial flows and other tax abuses, as well as poorly designed tax systems, deprive citizens of basic needs – in particular, access to health care, water and sanitation services, and education. This is truest in resource-rich developing countries where extractive activities have not only failed to create steady revenue streams to spur development, but have also severely undermined communities' livelihoods. PWYP will intensify its campaigning for just tax systems with strong legal frameworks.

**Civic Space;** PWYP and its members have seen an alarming trend in shrinking civic space and the ability of CSOs to operate – for example, in Niger, Myanmar and Azerbaijan. This is a key threat to our work, so we need to continue to work with governments and corporations to ensure that the rights of CSOs are protected, whether their actions are in support or critical of the decision-making chain. PWYP has a protection strategy in place for its own members. In addition we will continue to create more awareness of the EITI Civil Society Protocol and to ensure it is used throughout the EITI process, as well as to campaign for greater protection of civic space.

**Gender and the Extractive Industries;** PWYP launched a toolkit with UN Women called "Extracting Equality – A Guide",<sup>1</sup> which examines how to approach the issue of gender within the extractive sector. The guide is the first-ever attempt to develop a gender-responsive extractive value chain promoting good governance. Studies have shown that women are often the first to bear the negative impact of extraction, as they lose the land they work on and still have to find ways to provide for their families. In the coming years, PWYP members are increasing their work to add a gender focus to their campaigns and show stakeholders why natural resource governance must be inclusive of women. As a next step, the PWYP Secretariat aims to collaborate with key coalitions to test the guide in their countries.

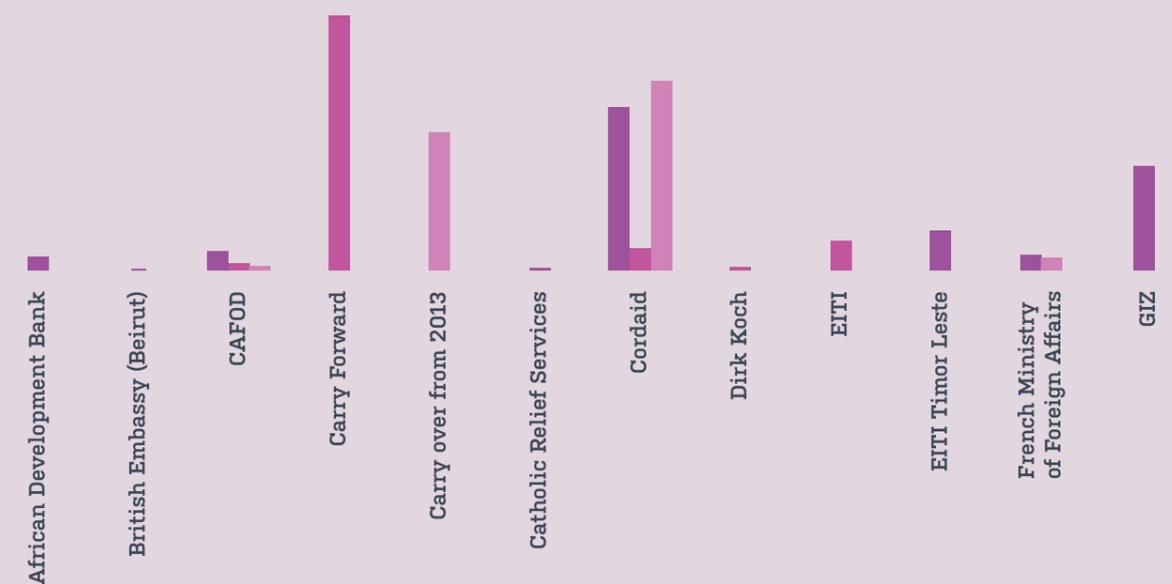
1. <http://www.publishwhatyoupay.org/pwyp-resources/extracting-equality-a-guide>

## Practice what we preach – PWYP's finances

If we demand transparency from others, we need to exercise financial transparency of our own. We are providing details of our income from 2012 through to August 2015 while still being hosted by OSF. For January through August 2015 we are also providing our expenditures. Please note that the full financial picture and audited reports are available via <http://www.publishwhatyoupay.org/funding>

Thanks to a solid strategy and governance structure PWYP has been able to grow significantly over the last three years as the income figures clearly demonstrate. Besides contributions from our NGO members especially Cordaid, PWYP has partnership agreements with two private foundations for core support: Open Society Foundation and the William and Flora Hewlett Foundation. With the Omidyar Network we signed a two-year agreement in early 2015 to advance PWYP's work on mandatory disclosures, open data and organisational strengthening. The Ford Foundation came on board in October 2015 to strengthen civil society engagement in the EITI in Senegal and Nigeria. We also continued our partnership with the World Bank Multi-Donor Trust Fund to do the same in Papua New Guinea. Finally a two-year partnership with the Danish International Development Agency (DANIDA) supported a stronger presence and impact in East and Southern Africa.

It is important to note that this page only covers finances that went through the PWYP Secretariat. For the income and expenditure information of each autonomous coalition please go to <http://www.publishwhatyoupay.org/where-we-work>. The International Secretariat has successfully been pursuing a joint fundraising strategy with eligible national coalitions; in some cases the national coalition is the contract holder, in others it is the Secretariat.

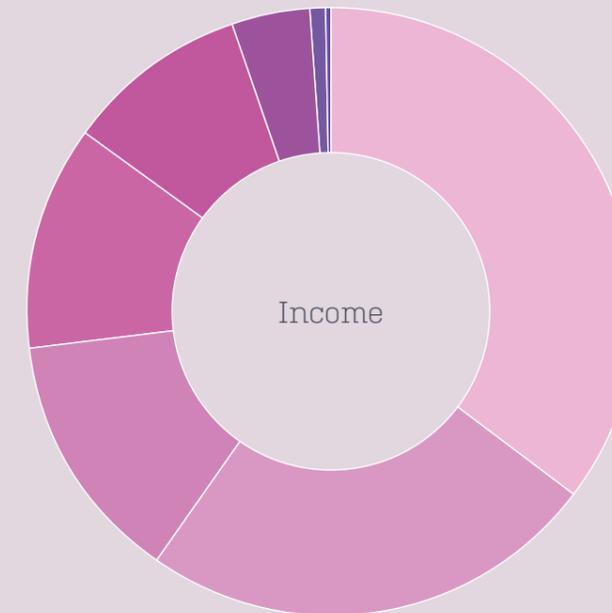


# Movement in donor funds – 1st January to 31st August 2015

## INCOME FOR 2012 TO 2014

2012	Total £1206402
2013	Total £930996
2014	Total £1386916

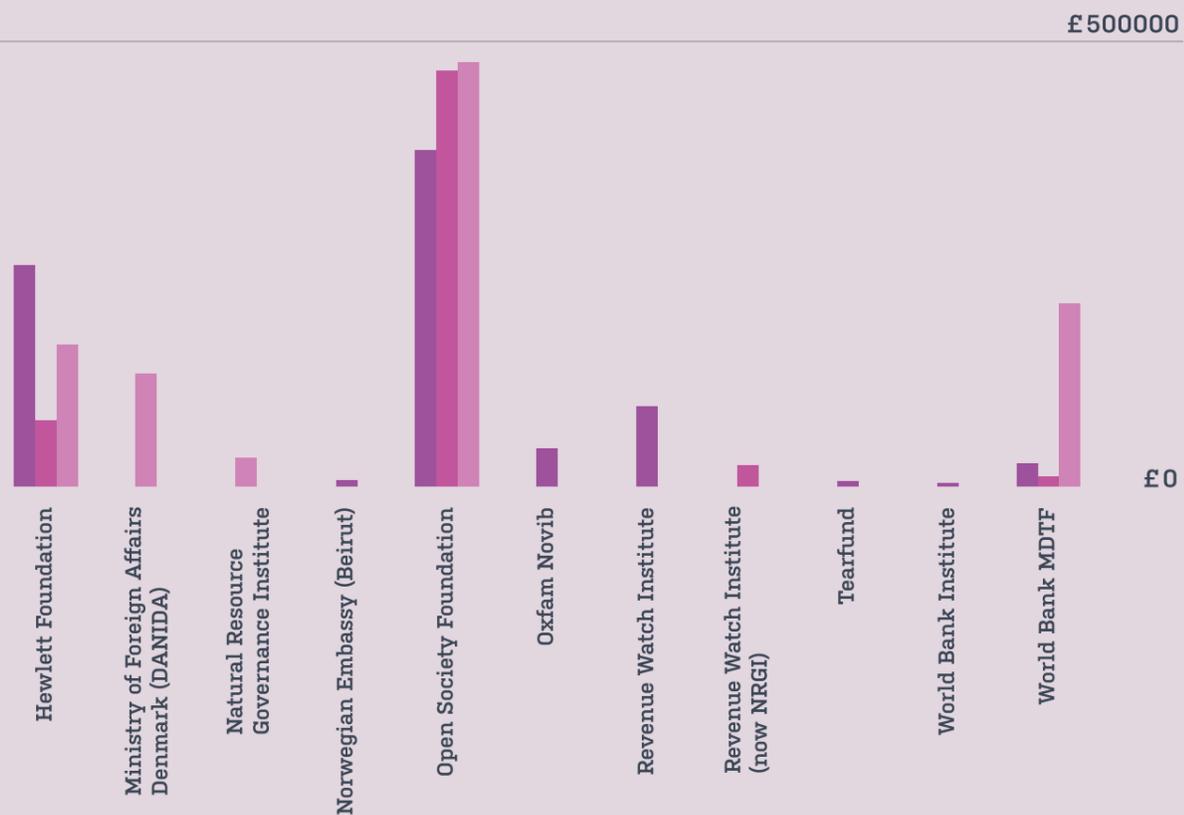
Please note that many of our members contribute in-kind through human resources, legal and/or technical expertise, media outreach and engagement, organisation of workshops etc. which are equally – if not more – important to advance our cause. An exercise to monetise this is virtually impossible but we would not be where we are today without this joint commitment.



## JANUARY TO AUGUST 2015 GRANTS RECEIVED

Open Society Foundation	£283,570
Omidyar Network	£197,427
Ministry of Foreign Affairs Denmark (DANIDA)	£107,651
World Bank MDTF	£95,174
William and Flora Hewlett Foundation	£77,881
Cordaid	£34,818
CAFOD	£5,000
Tearfund	£2,000

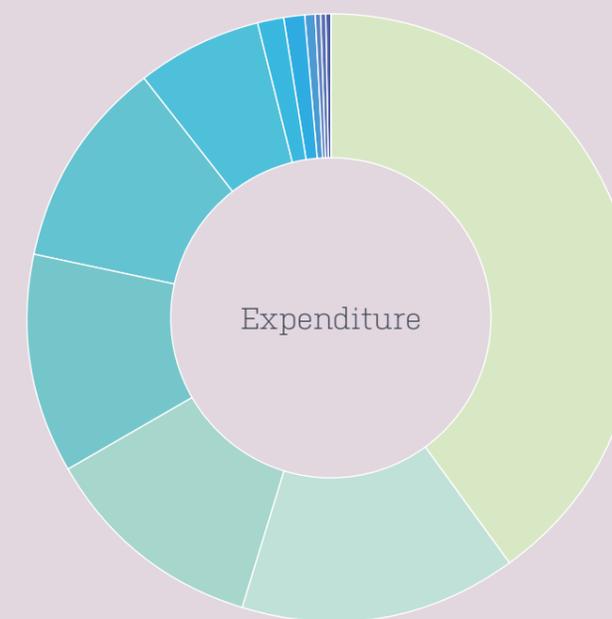
**Total £803,520**



## JANUARY TO AUGUST 2015 EXPENDITURES

Open Society Foundation	£338,062
William and Flora Hewlett Foundation	£125,052
Cordaid	£100,672
Ministry of Foreign Affairs Denmark (DANIDA)	£97,463
Omidyar Network	£94,458
World Bank MDTF	£54,584
EITI Secretariat	£12,559
Natural Resource Governance Institute	£10,208
CAFOD	£5,000
Tearfund	£2,000
Other	£1,240
Global Witness	£1,039

**Total £842,336**



# UKRAINE

THE FIRST EITI REPORT IN UKRAINE REVEALED THAT ONLY **33% OF 120** PRIVATE COMPANIES WOULD VOLUNTARILY DISCLOSE PAYMENTS. ONLY **50%** OF STATE-OWNED COMPANIES RESPONDED. MANY LOCAL STATE ENTITIES SIMPLY REFUSED TO COOPERATE



# BURKINA FASO

THE STATEMENTS OF MINING COMPANIES  
AND THE STATE DIFFERED BY **8KG** OF GOLD,  
A DISCREPANCY OF **\$13 MILLION**



# ZAMBIA

IN 2015, MINERAL ROYALTIES WERE EXPECTED TO CONTRIBUTE **12.7%** TO THE NATIONAL BUDGET, BUT COMPANY RESISTANCE TO MINING TAX RESULTED IN A SIZEABLE DEFICIT WHILE **7 OUT OF 10** ZAMBIANS LIVE ON **LESS THAN \$2 A DAY**



# NIGERIA

ALLEGEDLY, STATE OIL GROUP,  
THE NIGERIA NATIONAL PETROLEUM  
COOPERATION (NNPC) CANNOT  
ACCOUNT FOR UP TO **\$20 BILLION**  
OF OIL SALES



# NIGER

NIGER IS AT THE BOTTOM OF UN'S HUMAN DEVELOPMENT INDEX AND **LESS THAN 10%** OF NIGERIENS HAVE ACCESS TO ELECTRICITY, WHILST THEIR URANIUM LIGHTS **1 IN 3** LIGHT BULBS IN FRANCE



# UNITED STATES

IT TOOK THE US REGULATORS **2000**  
**DAYS** BEFORE NEW RULES WERE PUBLISHED  
IN DECEMBER 2015 FOR A TRANSPARENCY  
LAW ADOPTED IN 2010



# ZIMBABWE

IN 2011, MINING EXPORTS WERE IN EXCESS OF **\$2 BILLION**, YET THE CONTRIBUTION TO THE FISCUS WAS JUST **\$150 MILLION**



# INDONESIA

BETWEEN 2003-12 ILLICIT FINANCIAL FLOWS TOTALED IDR 227,7 TRILLION OR \$20 BILLION WHICH IS THE EQUIVALENT OF 11.7% OF THE REVISED STATE BUDGET (APBN-P) FOR 2014



# REPUBLIC OF CONGO

IN A FOLLOW-THE-MONEY STUDY, **56%**  
OF THE PROJECTS PROPOSED IN THE  
2011-13 HEALTH BUDGETS HAD NOT  
BEEN STARTED BY THE END OF 2014.  
**16%** HAD BEEN ABANDONED



# MADAGASCAR

EITI REPORTS REVEALED THAT DESPITE A BAN ON THE EXPORT OF GOLD, \$26 MILLION WORTH OF GOLD WAS ILLEGALLY EXPORTED TO THE UNITED ARAB EMIRATES, IN 2012 AND 2013 ALONE



# AUSTRALIA

OVER 1,000 AUSTRALIAN, LISTED MINING AND OIL AND GAS COMPANIES, VALUED AT MORE THAN \$400 BILLION ARE REFUSING TO PUBLISH WHAT THEY PAY GOVERNMENTS FOR EVERY PROJECT



# SENEGAL

TWO SENEGALESE SHELL COMPANIES  
BASED IN THE BRITISH VIRGIN ISLANDS  
WERE CREATED SOLELY TO SELL LICENSES  
TO AN AMERICAN COMPANY, RESULTING  
IN A LOSS OF ALMOST **\$380 MILLION** TO  
THE SENEGALESE TREASURY



# GLOBAL

FOSSIL FUEL COMPANIES ARE BENEFITING FROM GLOBAL SUBSIDIES OF **\$5.3TN (£3.4TN) A YEAR**, EQUIVALENT TO **\$10M A MINUTE EVERY DAY**, ACCORDING TO A NEW ESTIMATE BY THE INTERNATIONAL MONETARY FUND





CAN Mezzanine 7-14 Great Dover Street,  
London, SE1 4YR, United Kingdom

[info@publishwhatyoupay.org](mailto:info@publishwhatyoupay.org)  
[www.publishwhatyoupay.org](http://www.publishwhatyoupay.org)

Publish What You Pay is a registered  
not-for-profit organisation in Wales and  
England (No. 9533183)