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Canadian groups call on Harper government to follow US adoption of transparency initiative

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Ottawa—Publish What You Pay-Canada welcomes an announcement by President Obama that the United States will implement the Extractive Industry Transparency Initiative (EITI), and calls on the Canadian government to take the same step under their commitments to the Open Government Partnership (OGP).

President Obama made the announcement yesterday in New York at the formal launch of the OGP, an initiative for governments and civil society promoting open government around the world. The EITI requires companies to publish payments made to governments in exchange for oil, gas and minerals, and governments, in turn, to publish what they receive from companies. More than 35 countries are EITI members, working to minimize corruption and mismanagement in the extractive sectors.

The implementation of the EITI by the US is part of an ongoing effort to create global standards in the extractive sector. The US joins Norway as the only two developed countries which have committed to implement EITI, with pressure mounting on countries like Australia and Canada to become the third.

“We salute the United States’ leadership on openness in the energy and minerals sector and call on other resource rich developed countries like Australia and Canada to make similar commitments,” said Isabel Munilla, Director of PWYP USA. “Not only does this package cover listed and non-listed companies, the EITI process will ensure that the data is communicated to the public on a regular basis.”

Obama’s announcement adds weight to several recent legislative initiatives that have demonstrated the need to complement voluntary initiatives with mandatory mechanisms to ensure better transparency in the extractive sector. Among them is the Cardin-Lugar provision, which was adopted as part of the Dodd-Frank Act in July 2010. It will soon require all oil, gas and mining companies registered with the U.S. Securities and Exchange Commission to ‘Publish What They Pay’ to foreign governments as a condition of their listing on the New York Stock Exchange.

With Canada’s announcement that it will also join the OGP, and develop its own national action plan by March 2012, Canada has the opportunity to demonstrate to the world that it is a leader when it comes to promoting transparency and fighting corruption.

“We hope that this effort marks the beginning of Canada’s efforts to move beyond simple support to EITI, to full implementation of the initiative domestically, like our largest trading partner,” said Ousmane Dème, Director of PWYP-Canada. “In a context where the government’s policies on corporate social responsibility have been widely criticized for being insufficient, this is an excellent opportunity for our government to demonstrate transparency and accountability in the Canadian extractive sector.”

President Obama's announcement comes on the heels of a visit to Ottawa last week by Clare Short, a former British Labour Development Minister and Chair of the EITI, who urged the Canadian government to implement EITI.

The Canadian investment community also welcomed the US's commitment to implement EITI:

"This decision is very positive as it will allow investors to better assess the risks and opportunities of extractive companies operating in the United States. It also confirms the value of the EITI in driving transparency in the extractive sector globally. We hope the Canadian government will now consider implementing the EITI," says François Meloche, a risks manager for Bâtirente, a Canadian pension system managing over \$850 million in assets.

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Note to Editors:

Publish What You Pay Canada (PWYP-Canada) is a national coalition of civil society organizations campaigning for greater transparency and accountability in the oil, gas and mining industries. PWYP-Canada is hosted by Partnership Africa Canada.