

Publishing What We Learned

An Assessment of the
Publish What You Pay Coalition

Mabel van Oranje and Henry Parham

Copyright © 2009 Mabel van Oranje and Henry Parham
All rights reserved.

For more information on Publish What You Pay, go to:
www.publishwhatyoupay.org

To contact the authors, e-mail:
henry.parham@gmail.com

Text layout and printing by Judit Kovacs | Createch Ltd.

Executive Summary

Revenues from the oil, gas and mining industries are an important source of income for governments of over 50 countries around the world. Paradoxically, most of these countries are rich but the majority of their citizens are living in poverty. The lack of transparency in the payment and receipt of natural resource revenues has fostered corruption and mismanagement by officials in these countries. Yet if citizens know how much their government gets paid for the extraction of the country's natural resources, it becomes much easier to monitor how the revenue is spent. These proceeds can then serve as a basis for poverty reduction, economic growth and development.

The Publish What You Pay (PWYP) coalition was founded in 2002 by a small, ad hoc group of London-based NGO representatives to tackle the 'resource curse' by campaigning for greater transparency and accountability in the management of revenues from the oil, gas and mining industries. Over the course of six years the PWYP coalition has grown to become a global network comprised of over 350 community organisations, international NGOs and faith-based groups and more than 25 national civil society coalitions working together towards the same goal.

The idea of *Publishing What We Learned* originated from discussions with civil society activists and others who were eager to know more about the creation of the PWYP coalition and its role in putting revenue transparency in the extractive industries (oil, gas and mining) on the international agenda. The report discusses the

origins and structure of PWYP, assesses the effectiveness of PWYP's advocacy and policy endeavours and examines how the Coalition has operated internationally. In this sense, the report is not only a narrative of PWYP's history, but a practical tool to shine a light on how PWYP has been able to achieve its success and overcome its challenges between the years 2002 and 2007. Furthermore, the report looks at various issues that the PWYP coalition must confront in order to continue to deliver results in the future.

The efforts of the PWYP coalition have led to significant improvements to the policies and practices of governments and companies on the disclosure of payments and revenues from the oil, gas and mining industries. The Coalition's endeavours have enabled citizens of resource-rich developing countries to gain greater access to the information they need to hold their government accountable.

PWYP has played a catalytic role in putting resource revenue transparency on the agenda of governments, companies, investors, donor agencies and international organisations. Initiatives have been launched in response to PWYP to increase revenue transparency—through both mandatory and voluntary means. Coalition members were instrumental in the establishment of the Extractive Industries Transparency Initiative (EITI), an international multi-stakeholder process that seeks to verify and publish company payments and government revenues from oil, gas and mining. PWYP also played a central role in the development and enlargement of EITI after its launch. Coalition members were influential in obtaining the support of more governments, companies and other civil society groups for EITI. PWYP has been critical in holding EITI stakeholders accountable for the implementation of their commitment to increase transparency of payments and revenues.

Several factors have contributed to PWYP's success. First, PWYP's underlying message is simple and powerful: the citizens of countries that are rich in natural resources should not be poor. The campaign was launched because citizens have a right to know how much money is earned from the extraction of natural resources. The Coalition has had great success in getting the issue on the political and business agenda because its objectives are crystal clear and indisputable: to improve governance, reduce corruption and lift citizens out of poverty in resource-rich developing countries, governments must be held to account for the management of revenues from oil, gas and mineral extraction. For this to happen, transparency of payments and revenues is a fundamental pre-condition.

Second, PWYP's organisational structure allows it to deliver concrete results and to generate broad ownership among its members. The Coalition has embraced the distinct and yet complementary roles of its members and used this diversity—in

both strategic and operational terms—to its advantage. In this way, coalition members have built on each other’s strengths and when necessary openly acknowledged weaknesses.

Third, PWYP has operated with minimal bureaucracy. More formalised procedures to manage strategic planning and advocacy have been introduced only when necessary, in response to the massive growth of the Coalition globally. There has generally been little friction or competition among members at the international level. One explanation for this is that coalition members are encouraged to use their own resources—both human and financial—to contribute to PWYP’s advocacy efforts. There has never been a centralised budget that covers all of PWYP’s activities. Thus there has been little struggle for funds between members. As a result, members have been able to focus on advocacy and policy goals, enjoy the advantages of partner organisations working towards the same objectives and feel a strong sense of ownership over the campaign.

In preparing this publication, one common factor of PWYP’s success emerged in nearly every interview: individuals make all the difference. At its foundation in 2002 PWYP benefited from the involvement of individuals who were willing to take risks. They were prepared to collaborate with others despite different perspectives because they were dedicated to achieving the same overarching objective. No individual or group was involved to seek glory or credit: it was a team effort and all successes were shared. The wider revenue transparency movement similarly would not have gotten off the ground if not for several motivated individuals from within the extractive industry, governments and international institutions. The efforts of particular individuals who believed passionately in the issue and pushed internally for policy support were instrumental in allowing revenue transparency to be placed firmly on the international agenda.

One of the main factors allowing for the PWYP coalition’s expansion is that it has a powerful core objective that has complemented existing local priorities of civil society activists promoting good governance and corporate responsibility. The growth of the PWYP coalition was intentional: while it remained a London-centric initiative in its first couple of years, outreach by PWYP to civil society groups worldwide soon followed and has been an enduring priority ever since. International NGOs and donor agencies have increasingly mobilised resources to support local civil society groups with capacity building and with technical assistance programmes. Various information-sharing mechanisms have been used to enable local groups to engage with other activists to learn from their experiences and coordinate advocacy efforts.

Operationally, the Coalition has nonetheless faced several challenges. Effective involvement of the entire membership has been hampered by language barriers, geographic isolation, lack of access to technology, shortages of funding, lack of resources and inadequate technical capacity. Several activists have been harassed, intimidated and jailed because of their work. There have been internal disputes among national coalition partners due to poor internal management and, on occasion, competition for power. The campaign has been criticised by civil society groups in some countries for being elitist, involving only a few (often some of the more visible and well-resourced NGOs) and not engaging at the grassroots. PWYP's loose and informal structure and working methods created a democratic deficit for some years, which prevented many members, particularly in developing countries, from being able to contribute to decision making and strategic planning. The Coalition may have missed opportunities to make progress in its demand for mandatory disclosure by oil and gas companies because it devoted so much energy and time to the EITI, which called for voluntary reporting. There was no clear international action plan to coordinate advocacy efforts proactively. The lessons learned from these experiences are outlined in this report.

The launch of PWYP benefited from auspicious timing. In the early years of the 21st century, transparency and good governance were emerging as priorities for many international institutions. Academic and NGO research pointing to the gravity of corruption, mismanagement and human suffering in oil- and mineral-rich countries gave credence to PWYP's demands. Several international initiatives such as the Extractive Industries Review, the Kimberly Process and the Voluntary Principles on Security and Human Rights helped lay the ground for the launch of the EITI. The repercussions of BP's decision in 2001 to publish what it paid to the Angolan government brought the niche issue of revenue transparency to the attention of the world media and caused shock waves throughout the extractive industry.

The PWYP coalition was successful in getting its agenda to be taken up swiftly on the international stage. The importance of revenue transparency was recognised by a number of international bodies including the G8, the EU, the World Bank, the IMF and the International Accounting Standards Board. The issue attracted the attention of UK Prime Minister Tony Blair in particular. Revenue transparency interested Blair not only because it was about poverty reduction, corporate responsibility and governance—it was also about energy security. Pressure brought to bear by PWYP on the UK Government and extractive companies culminated in the establishment of the EITI in 2003. PWYP succeeded in enshrining civil society participation as a core component of EITI.

While the PWYP coalition has made good progress in a short span of time, there remains a great deal of work to be done. There may well be almost universal support for the policy of increasing payments and revenue transparency, but implementation among companies and home and host governments* remains lacking. There are ever present dangers that transparency will be de-prioritised on political and business agendas. Civil society activists in many countries continue to face threats. The participation of civil society—in a meaningful way in which they are an equal partner alongside companies and other stakeholders—is also under threat in many countries where governments are less open to such engagement.

The main challenge for PWYP continues to be how to overcome vested interests among governments and companies in maintaining the lack of transparency. Even when advances are made at the country level on transparency, the challenge for PWYP will be to ensure that there is public access to information on individual company payments data. While monitoring EITI implementation will remain a high priority for PWYP, the Coalition will also have to keep pressing for increased disclosure by companies and governments. This means building momentum behind PWYP's wider advocacy efforts targeting company regulation (stock exchange listing rules), accounting standards and the lending requirements of export credit agencies, private sector banks, investment institutions, regional development banks and international financial institutions. PWYP will also be tested in its efforts to advance the licensing and contract transparency agenda given that there are few international mechanisms currently available to pursue these goals.

Organisationally, a lot has been done to root PWYP in developing countries by supporting the development of autonomous national civil society coalitions. The challenge for PWYP is to continue to transfer ownership to groups working on the ground—while at the same time continuing to collaborate on an international level on joint advocacy and training efforts when necessary. The long-term effectiveness of PWYP also depends on the strengthening of civil society capacity. Without sufficient broad-based expertise and knowledge to monitor and review company payment information, contracts and budgets, citizens will be limited in their abilities to hold governments to account. The protection of civil society activists is an equally important factor so that groups can operate in a free and open manner to deliver real change.

* A 'home government' refers to the government of a country, typically but not exclusively from the OECD, where extractive companies are based, registered or listed on a stock exchange. A 'host government' refers to the government of a country where extractive production and exploration takes place.

The Publish What You Pay coalition has accomplished a great deal and expanded successfully in only six years. While many external factors outside of its direct control helped put revenue transparency on the global map, the Coalition's organisational structures, the dedicated work ethic of individual staff and the powerful message at the heart of the campaign were important factors that allowed it to take advantage of these opportunities. Coalition members successfully positioned themselves as a highly influential and equal partner to governments, companies, international institutions and donor agencies in bringing about real change in the way the extractive industries and resource-rich country governments do business.