19TH OSCE ECONOMIC AND ENVIRONMENTAL FORUM "Promotion of common actions and co-operation in the OSCE area in the fields of development of sustainable energy and transport" FIRST PREPARATORY MEETING (DEVELOPMENT OF SUSTAINABLE ENERGY) Vienna, 7-8 February 2011

Session IV

EEF.NGO/7/11 8 February 2011

**ENGLISH** only



Isabel Munilla
Director
Publish What You Pay US

OSCE Economic & Environmental Forum 8 Feb 2011 AGENDA

Good governance & transparency in the energy sector:

A civil society perspective







## Who is PWYP US?



#### Founded 2004

#### 32 organizations

#### 2.5 million + citizens

Ammosty International Bank Information Center CARE USA Catholic Reliaf Services Calumber Center CopWatch Crude Accountability Earth-Rights International EARTH-MYCRES Environmental Defense Fund Environmental Defense Friends of the Earth Gender Action Global Financial Integrity Global Rights

International Budget Project International Labor Rights Forum Austice in Nigedie Now ONE Campaign Open Society Policy Center Carfam America Pacific Environment Forument Pacific Sietatrabile Energy & Environment Environment

## How do we work?



#### Lots of partners:

US Congress
White House
State Department
Dept of Interior
Financial Regulator
World Bank/IFC
IMF
Companies
Donor governments

# How do we support U.S. energy security?





#### **AGENDA**

How do we support U.S. energy security?





Support for EITI

Push for US EITI

"Energy Security
Through Transparency
Act"

**Dodd-Frank Act Passed July 2010** 

#### What the new law does:

Companies filing annual reports with the US stock market regulator must disclose payments made to governments:

- Annual disclosure
- Payments to foreign governments
- Country-by-country in all countries of operation
- Project-level disclosure
- Disclosure by payment type: royalties, signature bonuses, taxes
- In line with EITI
- Endorsed by Newmont mining, Calvert Investments, Social **Investment Forum**
- Builds on EITI requirements, HKEX, AIM



#### US-Listed Firms Must Disclose Payments to Gov'ts

New law requires oil, gas and mining companies to make payments public by 2012 payments made to governments around the world, including Cambodia, by 2012. The bill represents an overhaul BY SIMON MARKS
THE CAMBODIA DAILY

A comprehensive financial re-form bill passed by the US Senate

#### EUA exigem de petroleiras 'atestado' anti-corrupção

### US shines a light

Transparency rules emerge from shadows of Congress

#### More Disclosure. Will Help Investors and Oil Companies

Contrary to oil-industry assertions, the new transpar-ency requirements for pay-ments to governments, which we co-sponsored and were

> US law will make miners

reveal pay to

governments

this legislation, repeatedly consulting with people representing all sides of the issue. includii

tors not covered by the new U.S. law to have to follow the same rules, they should sup-

**Washington impose** une vraie révolution à l'industrie pétrolière

#### INTERNATIONAL



### Companies will be ordered to reveal foreign payments

OK'd bill would require oil, gas, mining firms to report to SEC Poblicht practed oft, gast and min-ing overprass will be required of its off revenues," such as Claims, India, Iracult, in discharge of the required of its off revenues, and the required of its off revenues," such as Claims, India, Iracult, in discharge the required of its off revenues, "such as Claims, India, Iracult, "Thou offence, oil money in-teriories revenues recovering to the classification of the results of the r



# How does this help EITI?



#### AGENDA

Covers majority of largest international companies

Produce standardized data – will facilitate implementation

Help improve level of detail

Help the initiative move more quickly & expand

EITI platform is critical in all resource-rich countries

Multi-stakeholder Group

**EITI Board** 

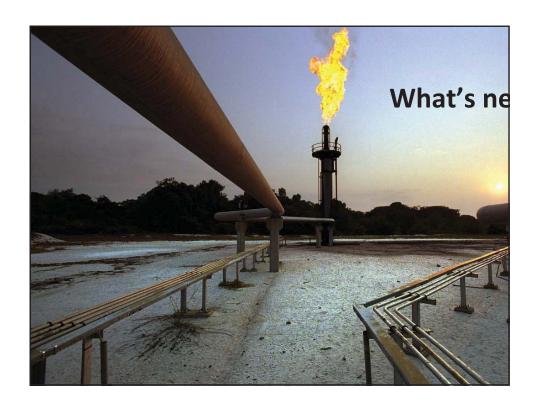
Knowledge center and best practice exchange

More informed and









# PWYP calls on OSCE to Endorse EITI



#### Your Leadership Needed!

Energy resource frontiers more "risky"

Greater number of players, more competition for resources

Endorsement won't commit BUT will promote action

**GO FOR IT!** 



#### AGENDA

Thank you!

publishwhayoupay.org

Isabel Munilla
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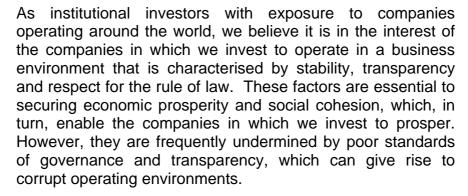


#### **Investors' Statement on Transparency in the Extractives** Sector.





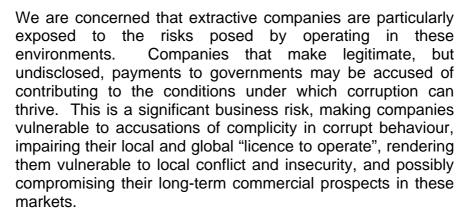








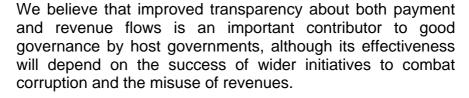


















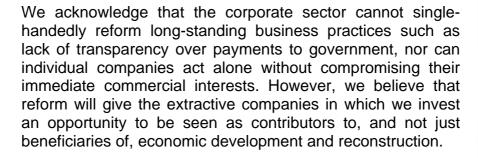






We recognise that the root of the governance problem often lies in underdeveloped local capacity in many host countries. However, in the light of the G8 discussions on corruption and increased international attempts to create transparency about revenue flows, we believe that the corporate sector has an important opportunity to support government and multilateral institutions by taking action to protect its own long-term interests.











We therefore encourage the development of mechanisms to promote payments transparency that respect the following principles:



STATE STREET GLOBAL ADVISORS



FRATER ASSET MANAGEMENT

Confidentiality: to ensure that existing contractual agreements and commercially sensitive information are respected;

- Universality: to ensure that improved disclosure standards apply to all parties. This includes joint ventures, stateowned extractive companies and their host governments;
- Comprehensiveness: ensuring that all relevant payments and revenues paid to governments are captured, and
- Comparability: to enable data for different countries to be compared easily.



develop an effective system of disclosure regarding payments in the mining, oil and gas sectors, which is supported by home and host governments, commercial and national companies,





Within the framework of the G8 discussions on payments transparency and the EITI, we are calling on the companies in which we invest to:





- Support the principles of payments disclosure developed by the EITI process;
- Work proactively with host country governments and other stakeholders, including other companies, to develop and implement payments transparency agreements within those countries that sign the principles;
- Become, or continue to be, active participants in the process to promote take-up of payments transparency agreements by host country governments that are not yet signatories to the principles.







Investment Management

> We believe that the EITI principles may be relevant to other sectors, and welcome appropriate initiatives with similar objectives.

> As institutional investors representing US\$12.3 trillion<sup>1</sup> we actively support the development of international mechanisms to address payments transparency, and encourage other investors to join us in this statement.



October 2006



Investment Managers

<sup>&</sup>lt;sup>1</sup> This figure is approximate as the assets of certain signatories may be partially included in the Assets Under Management figure of the Association of British Insurers.





For further information on this Statement or contact details for the Investors listed below, please contact Karina Litvack, Director, Head of Governance & Socially Responsible Investment, F&C Asset Management plc – karina.litvack@fandc.com or 020 7506 1219.



### RAILPEN Investments

#### **EITI INVESTOR GROUP**

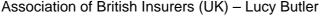


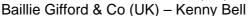
BÂTIRENTE

#### F&C Asset Management (UK) – Karina Litvack



Aberdeen Asset Managers Ltd (UK) – Andrew Preston & Clare Payn ABN Amro Asset Management (The Netherlands) – Gemma Taylor-Gee





Banco Fonder (Sweden) - Sasja Beslik

Bâtirente (Canada) - Daniel Simard

Boston Common Asset Management (US) - Dawn Wolfe

CalPERS (US) - Dennis Johnson

CalSTRS (US) – Janice Hester-Amey

Calvert Group Ltd (US) - Lily Donge

Canadian Labour Congress (Canada)

CCLA (UK) - Neville White

Central Finance Board of the Methodist Church (UK) – Bill Seddon

Christian Brothers Investment Services (US) – John Wilson

Co-operative Insurance Society (UK) – Jo Allen

Crédit Agricole Asset Management (France) - David Diamond

Dexia Asset Management (Belgium/France) – Leene Colle

Domini Social Investments (US) - Adam Kanzer

The Dreyfus Premier Third Century Fund Inc and The Dreyfus Socially Responsible Growth Fund Inc (US) – John O'Toole

Ethical Funda (Canada) Dahart Mallian

Ethical Funds (Canada) - Robert Walker

Ethos Investment Foundation (Switzerland) – Caroline Schum

Fidelity Investments (UK) – Niamh Whooley

Folksam Insurance Group (Sweden) – Carina Lundberg

Förster AP-fonden (AP1) (Sweden) – Nadine Viel Lamare

Frater Asset Management (South Africa) – William Frater

Gartmore Investment Management plc (UK) – Tony Little

Goldman Sachs Asset Management International (UK) – Alex

Marshall

Henderson Global Investors (UK) - Rob Lake

Hermes Investment Management Limited (UK) – Jennifer Welmsley Hospital of Ontario Pension Plan (HOOPP) (Canada) – Julie C. Cays

HSBC (UK) – Francis Sullivan

I.DE.A.M. – Integral Development Asset Management (France)

Illinois State Board of Investment (US) - William Attwood

ING Investment Management (The Netherlands) – Hendrik-Jan Boer

Insight Investment Management (UK) – Rachel Crossley JPMorgan Asset Management (US) – Amy Davidsen

Jupiter Asset Management (UK) – Aled Jones

JPMorgan 🔾











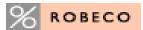


DEXIA

**Asset Management** 







State of Connecticut

Legal & General Investment Management (UK) – Peter Chambers Local Authority Pension Fund Forum (UK) – Tessa Younger Merrill Lynch Investment Managers (UK) – Alex Popplewell



Newton Asset Management Ltd (UK) – Katie Swanston

New York State Common Retirement Fund (US) - Julie Gresham Norges Bank Investment Management (NBIM) (Norway) - Dr. Henrik Syse

Nottinghamshire County Council (UK) – John Pearson

Ohio Public Employees Retirement System (US) – Cynthia Richson Ontario Teachers' Pensions Plan (OTPP) (Canada) – Catherine **Jackson** 

PGGM (The Netherlands) - Karina Litvack, F&C Railpen Investments (UK) - Frank Curtiss

RCM (UK) - Bozena Jankowska

Rio Tinto Pension Investments Ltd (UK) – Stephen Burley

Robecco (The Netherlands) – Erik Breen

Sarasin (Switzerland) – Eckhard Plink Schroders Investment Management (UK) - Sue Livingston

Scottish Widows Investment Partnership (SWIP) (UK) - Anne C

Services Employees International Union (SEIU) (US) - Steve Abrecht SNS (The Netherlands) – Theo Dijkstra

Standard Life Investments (UK) – Julie McDowell

State of Conneticut (US) - Denise L. Nappier & Donald A. Kirshbaum

State Street Global Advisors (US) - Bill Page

Stichting Pensioenfonds ABP (The Netherlands) - Stephen Lister

Storebrand (Norway) - Kristine Meisingset

Swiss Re Asset Management (Switzerland) - Paolo Sismondi

TIAA-CREF (US) - Peter Clapman

Trades Union Congress (UK) - Tom Powdrill Trillium Asset Management (US) - Steve Lippman UBS Global Asset Management (UK) Ltd - Ian Pitfield

Universities Superannuation Scheme (UK) - Dan Summerfield

Walden Asset Management (US) - Tim Smith

York University Pensions Fund (Canada) – Leona Fields



CALSIRS







Swiss Re













