



The Fund for Peace
Human Rights & Business Roundtable
Media Release

Revenue Transparency: The Extractive Industry and Developing Countries

Washington, D.C., 1 April 2003: Over 40 representatives from extractive companies, non-governmental organizations, government and international finance institutions met last Wednesday in a confidential roundtable, chaired by representatives of the American Petroleum Institute and Transparency International-USA, to discuss the issue of revenue transparency. The discussion focused primarily on elements of a UK-led Extractive Industries Transparency Initiative (EITI) and the Publish What You Pay Campaign.

The half-day meeting, organized by the Fund for Peace Human Rights and Business Roundtable, brought together the major players engaged in current revenue transparency initiatives to share developments and analyze key challenges. These included Global Witness, Open Society Institute, the British Government, the U.S. Government, the World Bank, the International Monetary Fund, and oil, gas, and mining corporations. The EITI, a public-private voluntary initiative, intends to ask private and state owned companies to publish what they pay to governments, and governments to publish what they earn from extraction. Publication of this information is important to citizens of the resource producing nations and may help curb corruption and stimulate economic development.

Representatives of the International Budget Project at The Center on Budget and Policy Priorities discussed the importance of building civil society capacity and involvement in evaluating budgets and formulating budget policy – on both the revenue as well as the expenditure side. Many agreed that a lack of local capacity and budget training was a challenge to creating effective and accountable budget systems.

All participants agreed that host government participation is critical to this initiative's success. A key challenge is to address concerns and misunderstandings from some host governments and demonstrate the benefits of such an arrangement. Many stressed that the US should join the UK government in taking the lead in engaging host governments on this issue.

Some NGO representatives stated that transparency could only be achieved if a mandatory, international system were in place. Others noted that voluntary initiatives, such as the EITI, could provide a useful first step in a more holistic approach to achieve transparency.

The private sector representatives cautioned that regulatory mechanisms that only apply to publicly listed companies would leave many outside the regime and could create a competitive disadvantage for those that comply. They stressed the need to address key details so the process could move forward and expressed concerns whether this could be accomplished by a June meeting planned by the Blair Government. The G8 Summit in June of this year is expected to address the issue of corruption and transparency.

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The Fund For Peace is a Washington-based NGO whose mission is to prevent war and alleviate the conditions that cause war. It promotes education and research for practical solutions and is a consistent advocate of promoting social justice and respect for the principles of constitutional democracy. For more information, please visit: www.fundforpeace.org.

Launched in 1997, The Fund for Peace Human Rights and Business Roundtable is the first forum designed for multinational businesses and human rights organizations to discuss issues of common concern in an atmosphere of mutual respect, trust and confidentiality.

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