



Publish What You Pay

VISION 20/20

STRATEGY 2012-2016. EXTRACTING THE TRUTH
PUBLISH WHAT YOU PAY COALITION. SEPTEMBER 2012



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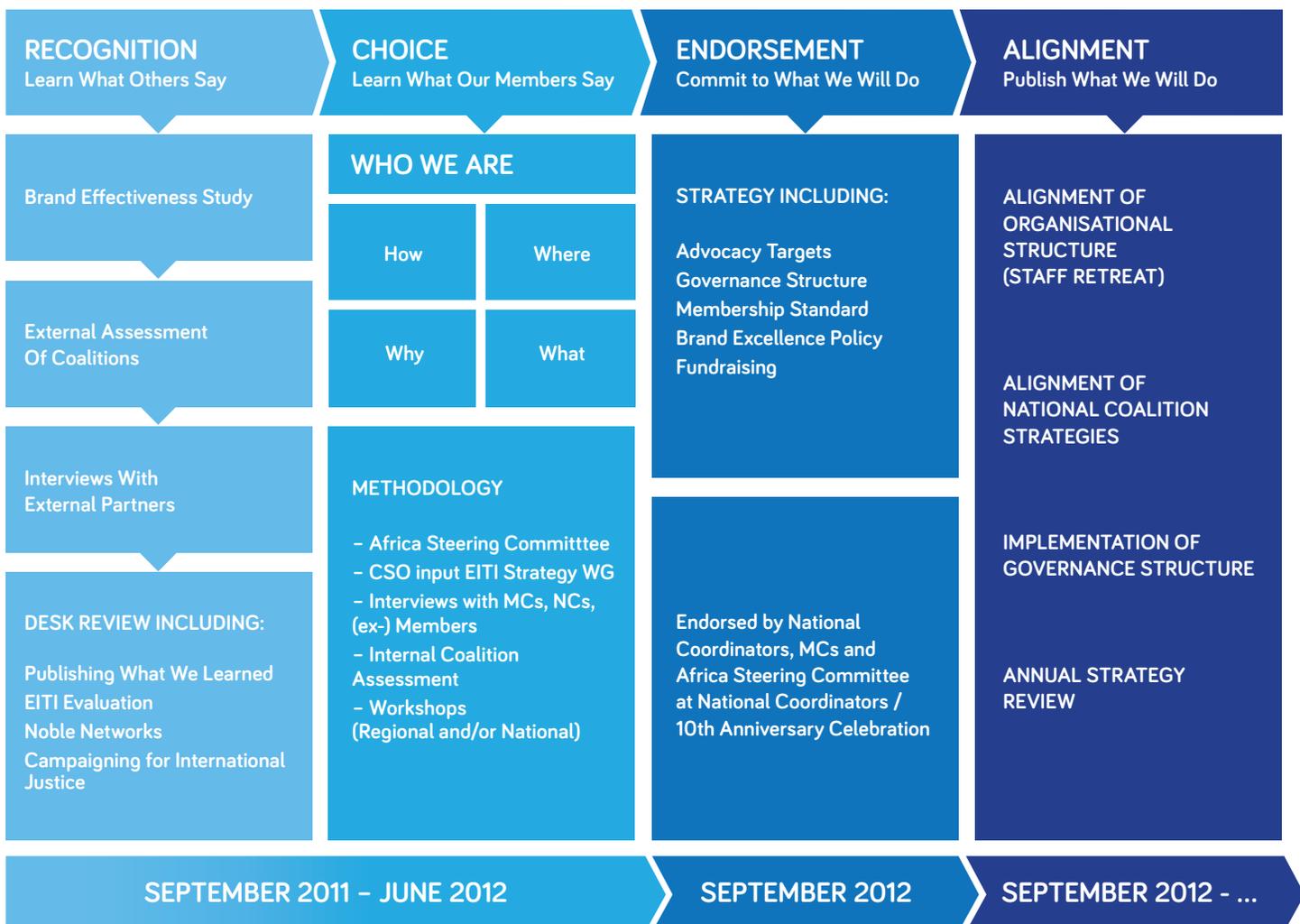
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INTRODUCTION AND METHODOLOGY

In October 2011, Publish What You Pay, with the support of the Hewlett Foundation, launched a new strategy development process comprising four distinct phases, as can be seen in the visual below. The process is entitled “**The Coalition is King**” – quoting one of the key lessons learned from the recent publication *Campaigning for International Justice*.¹ The quote illustrates that it is PWYP’s collective force that has got the coalition this far and that remains crucial for this strategic process and for PWYP’s future. The core principle for our strategy development is that all coalition members and/or partners will have had an opportunity to express their opinions and participate in developing the strategy either through personal interviews, internal coalition assessments and/or workshops. For more details please visit www.publishwhatyoupay.org/about/strategy-development-process.

The period from October 2011 to February 2012 was used to focus on the first two phases, and plans are now under way for the third and fourth phase. The first phase, “Recognition”, consists of several components.² PWYP was invited to take part in a brand effectiveness study carried out by Harvard University’s Hauser Center for Non-Profit Organizations.³ Together with Amnesty International, WWF and the Girl Effect we formed part of a research project that examines the role of non-profit brands and introduces a conceptual framework designed to help non-profits leverage their brands more strategically to advance mission and impact.

INTERNATIONAL STRATEGY DEVELOPMENT PROCESS 2012-2016



In addition, the International Director held interviews with key external partners such as the EITI Secretariat, the World Bank and PWYP's financial supporters, including the Hewlett Foundation, Cordaid, Revenue Watch Institute and Open Society Foundation (also our host institution). Finally, a desk review of key documents was carried out, including *Noble Networks*, the EITI Evaluation, *Publishing What We Learned* and *Campaigning for International Justice*.⁴ The external analysis or "Recognition" will be described in the next section and forms the foundation of the strategic exercise.

For the second phase, "Choice", the International Director has carried out semi-structured interviews with members.⁵ Sixty-three interviews have been carried out, the majority in the form of telephone and/or face-to-face individual conversations, although some have taken the shape of focus group discussions, for example with the Indonesian PWYP coalition, the US PWYP coalition, the Timor-Leste Core Group for Transparency, and the Mauritanian PCQVP coalition. On average the interviews lasted between 20 and 45 minutes, and five main areas were explored as listed in the balloons on the visual: Who we are, What we do, How we are organised, Where we focus, and Why we do it. These questions were meant to be aspirational and future-oriented rather than confirming a status quo. The key recommendations and perspectives were written down and later entered into an Excel worksheet which will remain confidential. The worksheet formed the basis of the present strategy document.

In addition to strategic pillars and options, the interviews also brought to light a key gap that our future strategy must address. While the first 10 years focused mainly on revenue transparency, it has become evident that our mandate will be broader, moving to transparency and accountability along more steps of the value chain. Hence PWYP needs a clear and ambitious vision that will unite and guide us in the years to come. It is recommended here that we call this Vision 20/20, referring not only to the year but also to optimal visual acuity. 20/20 means that PWYP visualises the issues with crystal clarity (which itself feeds back into the idea

of transparency), and that by 2020 we WILL be able to see more clearly, because we will have more usable and accessible data and information as a result of the campaigning efforts of our coalitions around the world. The vision has been developed in both regional and national workshops and meetings to make sure it has broad-based ownership.

While the strategic pillars and options that have emerged, and are discussed in the present paper, have not provided major surprises, the majority of interviewees felt very strongly about the need for a complete overhaul of PWYP's governance, including strong membership standards and a revised international governance structure. Hence this draft document proposes a new approach to PWYP's governance.

Once the strategy has been endorsed at the International Coalition Strategy Meeting in Amsterdam, both the Secretariat and coalitions will embark on the 'Alignment' phase. During this phase each coalition will define which strategic options to prioritise depending on opportunities, capacities and context. This will be done through national and/or regional workshops, support to individual coalitions where needed as well as a staff retreat for the International Secretariat. In addition PWYP will organise a workshop to develop a Monitoring and Evaluation framework for the strategy to ensure peer accountability.

SECTION 1. RECOGNITION OR “LEARN WHAT OTHERS SAY”

It is widely acknowledged that PWYP is one of the most successful coalitions from the last decade, evolving from six UK-based organisations to a global movement of 680 members covering 59 countries and 39 coalitions.⁶ Especially in the beginning, PWYP was considered a niche campaign, putting revenue transparency in the extractive industries (EI) firmly on the international agenda. As our first African coalition coordinator, Christian Mounzeo, so eloquently put it: *“Thanks to PWYP, today the issue of extractive industries transparency is out of the ghetto.”*⁷

Even though the battle for revenue transparency is not yet won, the voluntary EITI combined with mandatory EU and US legislation allows us to see some light at the end of the tunnel. But the end of the tunnel also signifies a new road with the recognition that transparency without accountability will not bring about sustainable natural resource management benefiting women, men and youth in resource-rich countries.

From the components combined in the “Recognition” phase PWYP can draw one major conclusion: We need to do more of the same and do it better – making our work broader, deeper and more representative. What exactly does this mean in terms of Vision 20/20 and future strategy?

1. PWYP needs to continue to emphasise that its uniqueness lies in its single-focus constituency. As the civil society movement advocating for EI transparency and accountability, our strength is our members. It is what sets us apart, and the culture of courage, commitment, interdependency and “pushing the boundaries” needs to remain at the core of the campaign. However, the coalition needs to become more broad-based and representative by collaborating more directly with communities. While PWYP has been able to move beyond being seen as an “elitist” campaign from the North, now is the time to move beyond that same reputation in resource-rich countries. PWYP needs to live and breathe the statement from former Archbishop Desmond Tutu at his 80th birthday: “If you stand out from the crowd, it is because you are carried on their shoulders.”

2. The EITI Evaluation, brand effectiveness study and wider debates on GOXI⁸ signify that transparency is simply a prerequisite in the move to demand accountability and good governance from both industry and governments. As a coalition PWYP needs to broaden its campaign both to include the demand for accountability and to demand transparency and accountability along other stages of the EI value chain.

3. The brand effectiveness study⁹ has clarified that PWYP needs to focus on developing a clear brand management policy to ensure that the brand continues to stand for excellence and quality. While thus far the relatively small size of the coalition meant that reputational risks could be managed through social control, peer pressure and loose structures, the current pace of growth means a critical mass has been reached where a brand policy and solid structures are required.

4. PWYP needs to become more expert at managing the knowledge that the coalition and its members create by focusing on its unique and essential task of supporting, coordinating and linking civil society in resource-rich countries.

5. Thus far the majority of funds have come from the Open Society Foundation and other partners such as Revenue Watch, Global Witness, CAFOD and Secours Catholique. The Africa programme receives its funds from Cordaid, Oxfam Novib, Revenue Watch and the Open Society Initiative for West Africa (OSIWA). The Secretariat needs to diversify its resource base, and we are very happy to have the Hewlett Foundation on board. We are currently negotiating a longer-term commitment from the EITI Multi-Donor Trust Fund managed by the World Bank, to help build the capacity of coalitions in Africa and Central Asia.

SECTION 2. CHOICE OR “LEARN WHAT OUR MEMBERS SAY”

This section presents the new strategic framework based on the 63 semi-structured interviews the International Director held from October 2011 to March 2012, according to the methodology already described in the introduction.

2.1. OVERALL STRATEGIC FRAMEWORK – THE PWYP “CHAIN FOR CHANGE”

As a civil society movement, PWYP considers it important to adopt the value chain as the overall strategic framework against which we campaign for transparency and accountability. However, it was apparent from research that most value chains follow the extraction process from the government’s perspective, focusing on government roles and responsibilities in natural resource management. Hence PWYP has developed its own “Chain for Change” by showing how civil society can hold governments and companies accountable throughout the process.

The PWYP “Chain for Change” follows the principle that at every stage in the extraction process – from initial geological survey to final assessment of how natural-resource-derived revenues were spent – citizens should have a say in how their resources are managed. This requires transparency throughout the process:

PWYP’S CHAIN FOR CHANGE

PUBLISH WHY YOU PAY AND HOW YOU EXTRACT	PUBLISH WHAT YOU PAY	PUBLISH WHAT YOU EARN AND HOW YOU SPEND	PUBLISH WHAT YOU LEARN
WHAT ARE OUR NATURAL RESOURCES?	WHAT PAYMENTS ARE COMPANIES MAKING?	DID THE MONEY REACH THE STATE COFFERS?	WAS IT WORTH IT?
WHAT IS THE NATURAL RESOURCE LEGAL FRAMEWORK?		WHERE SHOULD THE MONEY GO?	ALWAYS ASSESS
TO EXTRACT OR NOT TO EXTRACT?		DID THE MONEY GET THERE?	WHEN THE DUST SETTLES?
HOW TO ENSURE THE BEST POSSIBLE DEAL?			
HOW TO MONITOR THE PROJECT?			

PUBLISH WHY YOU PAY AND HOW YOU EXTRACT

What are our natural resources?

There needs to be comprehensive and transparent information about the quantity, quality and suitability of natural resources a country has and where they are located. Without full information, citizens will be unable to make informed decisions over whether and how the resources should be extracted and whether they are getting a fair deal for any resources that are extracted.

What is the natural resource – and legal – framework?

When a country discovers it has natural resources, governments can develop broad frameworks as to how these will be extracted and managed. Civil society should be involved on some level in the drafting of these rules, whether in close collaboration or on a consultative basis. These frameworks represent an important opportunity to integrate transparency and accountability into the natural resource management process from the beginning. A good fiscal and legal regime needs to strike the right balance between the needs of its citizens on the one side and attract investors on the other. It also needs to be enforced consistently to ensure that countries receive a fair deal for their natural resources.

The recent Guinean Mining Code, for example, includes a commitment to contract transparency, stating that Guinea will publish all its contracts. Freedom of Information Acts also constitute levers that can be used to ensure transparency and accountability in the natural resource sector. Civil society should monitor whether these frameworks, once in place, are respected all along the value chain.

To extract or not to extract?

The decision to extract should be made on the basis of robust cost-benefit analysis and with the full consent of the communities local to the extraction. These communities – who will bear the brunt of the effects of extraction – should be properly informed as to the consequences and effects of the project. This requires

companies and governments to undertake and publish the results of social, environmental and human rights impact assessments, carrying them out in a transparent manner and making the resulting information available to the communities involved. Compensation should be planned for any anticipated detrimental environmental, social or economic impacts, and effective commitments are needed for post-operational decommissioning, remediation and rehabilitation of extractive sites.

Throughout this decision-making process, the question of what we are extracting for should be borne in mind. PWYP as a coalition believes that funds generated from natural resource exploitation should go to improving the lives of citizens. And there should be clear options for citizens to follow if they choose not to extract.

PUBLISH WHY YOU PAY

How to ensure the best possible deal?

The awarding of licences and contracts dictates which companies will carry out each extraction project and on what terms – from the broad logistics of extraction itself to the percentage of payments a company will make to the government. Licences and contracts – which will decide whether a country gets a fair deal for its resources – must be awarded in a transparent manner. To ensure that contracts are awarded in the interests of the whole citizenry, bidding should be competitive and public, and contracts should be published.¹⁰ The harm caused by secret and corrupt deals has been a particular focus of PWYP coalition members such as Global Witness.¹¹ To assess whether companies are paying a fair amount of money for the natural resources they extract contracts and licences need to be monitored. It can be helpful to compare between contracts looking at the terms of other extractive projects in the same country, involving the same company or a similar project in another country.

How to monitor the project?

All sorts of consequences – intended and unintended – are thrown up by extractive projects. Security operations around extractive projects have led to human rights abuses. Sudden increases in poaching of wild animals have occurred, as have environmental disasters involving major pollution incidents and other threats to local people’s livelihoods. Gender-specific impacts are also frequent, with adverse consequences for women, resulting for example from an influx of male workers.

Projects need to be monitored by government, industry but most important through independent mechanisms and civil society to ensure that any change in circumstance or breaches of contract can be rectified, whether through legal recourse for human rights abuses or via extra compensation or other means. The costs – economic, environmental or social – should be monitored throughout to confirm whether the project is sustainable and complies with human rights and contractual requirements. Relevant here are the UN Framework and Guiding Principles for Business and Human Rights, which emphasise the importance of access to remedy against business-related human rights abuse.¹² Civil society plays a crucial role in providing oversight.

PUBLISH WHAT YOU PAY

What are companies paying for the extraction?

It is of key importance to ensure that companies actually pay what the legal agreement and fiscal regime commits them to pay. PWYP wants to see full country by country as well as project by project reporting to help citizens track what they are entitled to receive from central government for revenues generated from projects in their own back yard. This information is also useful for investors seeking to manage risk and who wish to ensure a healthy long term investment climate.

In addition to CBC reporting of payments, full CBC information such as production, profits, sales and costs will also help assess whether a government is receiving a fair amount for its resources and whether it is receiving

the correct amount for its resources. By revealing intra-group trade figures, (trade between companies under common ownership but across borders) full CBC would be able to reveal the patterns of financial flows and highlight instances of tax dodging.

For example, Mopani, a subsidiary of multinational Glencore in Zambia, reportedly inflated costs and manipulated the price of the copper it sold to its parent company, allegedly cheating the Zambian government out of an estimated £76 million a year in tax.¹³ Companies have a responsibility to publish all the payments they make, and civil society should examine these payments and judge whether companies are paying the correct amounts.

Accurate and transparent reporting of payments by companies is a key element in the EITI. Civil society should engage with the EITI process in “candidate” and “compliant” countries to help ensure that company reports are as comprehensive and useful as possible.¹⁴

PUBLISH WHAT YOU EARN AND HOW YOU SPEND

Did the money reach the state coffers?

Whether the revenues that companies pay for extracting natural resources are judged to be fair or unfair, it is important to ensure that money paid actually reaches the state coffers (at whatever level - local or national - the payments were destined). To ensure that money is not siphoned off or “lost” along the way, in addition to transparent company reporting of payments made as noted above, there needs to be transparent reporting by governments of revenues received.

Civil society should be able to track payments and revenues for each project and ensure that the amounts that governments say they have received match what companies say they have paid. Again, it can be useful for civil society to engage with the EITI in this regard. The EITI’s key process of reconciliation involves an independent third party in assessing company and government figures and reporting significant discrepancies.¹⁵

Where should the money go?

The country's revenues from resource extraction should be allocated in line with its Poverty Reduction Strategy Plan where applicable and create a good balance of developmental benefits for the majority of the population and for local communities. Civil society has a role to play in pushing for budget transparency on the part of governments to ensure that the money is allocated transparently and equitably. Participatory budgeting takes this further by emphasising the importance of citizens having a say in governments' spending decisions, especially at subnational level.¹⁶

Did the money get there?

Once revenue has been allocated, civil society should check and help ensure that the money reaches its agreed destination. For instance, the PWYP coalition in Niger, ROTAB,¹⁷ has been working to ensure that the 10% of resource revenues promised to local communities reaches them, and petition the government when there has been no sign of the funds.

The EITI Rules require that, where payments from central to subnational government entities are material, such payments should be included in the reporting process. Transparency in revenue management is a particular focus of PWYP coalition members such as Revenue Watch.¹⁸

PUBLISH WHAT YOU LEARN

Was it worth it?

There should be an impact assessment done by an independent party to evaluate whether the money generated was correctly spent and contributed to development and the improvement of the lives of citizens. In addition, an independent impact assessment should be made of the project itself: in the end, did the benefits to the population from extraction outweigh the social, economic and environmental costs borne?

Always assess

There should be regular assessments by all parties including civil society to ensure that longer-term frameworks are correct and still relevant. For instance, contracts that were allocated in previous years under different circumstances may need to be re-examined and possibly renegotiated. The share of revenues between one or more companies and a particular government may also need reallocation. PWYP is not advocating that resource-rich countries renege on their commitments or fail to take their contracts seriously. However, we recognise that certain circumstances – whether concerning deals signed during colonial periods or involving strong information asymmetry – have lent themselves to particularly unfair contracts; this should be rectified. The appropriateness and efficiency of a country's legal framework governing natural resource exploitation should also be monitored throughout the process.

Civil society can play a valuable role by publicly raising concerns where frameworks and agreements are evidently no longer fit for purpose.

Once the dust has settled...

Although this may be far down the line, it is important to consider how a project will be effectively dismantled and decommissioned. Physically, what will happen to the site? On a human level, what will happen to the workers on the site, to the local economy that was created by the project, and to local communities whose lives the project has disrupted but who will remain in, or return to, the vicinity?

It is important that this stage is planned for and managed carefully to avoid a harmful legacy of untreated pollution or other environmental damage following site closure.

2.2. VISION 20/20

PWYP's Vision 20/20 refers not only to the year but also to optimal visual acuity. 20/20 means that PWYP visualises the issues with crystal clarity, which itself feeds back into the idea of transparency, and that by 2020 we WILL be able to see more clearly, because we will have more usable and accessible data and information as a result of our coalitions' campaigning efforts around the world.

WHAT IS OUR VISION 20/20?

A WORLD WHERE ALL CITIZENS BENEFIT FROM THEIR NATURAL RESOURCES, TODAY AND TOMORROW.

2.3. STRATEGIC PILLARS

PWYP's achievement of each strategic pillar, and the options presented below them, depend on strong coalitions and a strong Secretariat – and even more importantly on partnerships. PWYP cannot, and should not try to, do it alone. More detailed analysis of each proposed strategic pillar and the options is required during the alignment phase once each coalition starts to contextualise the strategy into local needs and opportunities, including discussion of our capacity and resource needs at all levels and identification of potential partnerships with strategic allies.

Here we include all options under each pillar that have emerged from interviews and workshops, but this does not mean that every regional and/or national coalition and/or the Secretariat should try to tackle every pillar and all options during the next strategic cycle. Rather, we should see these options as a strategic menu from which PWYP coalitions and the Secretariat can prioritise areas of work according to context, opportunities, levels of need and capacity.

In addition to analysing and prioritising strategic options, regional and national workshops will need to develop clear and participatory approaches and indicators for monitoring and evaluation, including (we suggest here) peer review mechanisms and twinning. These approaches and indicators will feed into PWYP's overall Monitoring and Evaluation Framework, which we will develop after our 10th Anniversary meeting.

2.3.1 PUBLISH WHY YOU PAY AND PUBLISH HOW YOU EXTRACT

“Chain for Change” questions: What are our natural resources? What is the natural resource legal framework? To extract or not to extract? How to ensure the best possible deal? How to monitor the project?

PWYP will broaden its campaign by advocating for transparency and accountability along more steps of the “Chain for Change” in order to determine whether women, men and youth are getting a fair deal for their resources. This will enable citizens in resource-rich countries to influence decision-making around the

decision to extract, extraction rights, and to influence as well as monitor the terms and conditions of deals and contracts signed between governments and EI companies.

STRATEGIC OPTIONS

- a.** Campaign for transparency and accountability around countries' natural resources estimates and audits.
- b.** Assess the quality and suitability of the national legal frameworks managing countries' natural resources and campaign for improvements.
- c.** Work for natural resource decision-making based on balanced and transparent cost-benefit analysis, with a seat at the decision-making table for civil society and communities.
- d.** Promote transparency and accountability in the implementation of Free, Prior and Informed Consent, especially (but not only) for indigenous peoples.
- e.** Campaign for contracting and licensing processes that are transparent and competitive, from tendering to award; this includes transparency regarding "beneficial ownership" of all companies bidding.
- f.** Advocate for contract transparency in a format that is accessible/open and comparable.
- g.** Advocate for an EITI standard that includes contract transparency.
- h.** Challenge licence or contract terms that disadvantage host countries and/or local communities or facilitate corruption.
- i.** Advocate for beneficial community development agreements and monitor such agreements.
- j.** Monitor the impacts of extraction, including on the environment, livelihoods and human rights, and advocate for effective remedies for abuses and harms.

k. Use existing and forthcoming data from licences, contracts, EITI reports and other sources strategically to demand accountability from companies, including a fair deal for host countries and their citizens.

2.3.2 PUBLISH WHAT YOU PAY

"Chain for Change" question: What are companies paying for the extraction?

PWYP will continue to campaign for full financial transparency from companies, to ensure the availability of quality data that is regular, credible, comprehensive, comparable and accessible/open. This will provide women, men and youth in resource-rich countries with the information to demand accountability from both industry and government. The EITI will continue to remain a key mechanism through which to demand payment and revenue transparency, but it is not the only one. As they come into force, the US Dodd-Frank Act and the EU Accounting and Transparency Directives will require all US- and EU-listed EI companies to report their payments to governments.

STRATEGIC OPTIONS

- a.** Work for mandatory payment disclosure worldwide through listings regulations in capital markets (globalising Dodd-Frank and EU Directives).
- b.** Campaign for mandatory payment disclosure through international accounting standards, regional and national level regulations, and embedding EITI in national legal frameworks.
- c.** Campaign for mandatory extended country-by-country reporting at national and/or regional level, focusing on profits, sales, production volumes, employee numbers etc., to help reveal tax avoidance and capital flight (including transfer mispricing, use of tax secrecy jurisdictions/tax havens and "mailbox companies").
- d.** Campaign for EITI reports disaggregated by project, company and commodity, and for inclusion in EITI reports of data on profits, sales, costs, production volumes etc. as standard practice.

e. Monitor and analyse the implementation of Dodd-Frank 1504 and EU Accounting and Transparency Directives and integrate the use of the emerging data in our campaigning efforts.

2.3.3 PUBLISH WHAT YOU EARN AND HOW YOU SPEND

“Chain for Change” questions: Did the money reach state coffers? Where should the money go? Did the money get there?

PWYP sees transparency as a means to demand accountability from both companies and governments. This pillar is key to translating transparency into accountability and ensuring that the revenues generated by natural resources are used to benefit all citizens. PWYP coalitions and members can campaign and monitor to ensure that natural resource revenues reach the state, get involved in how these should be spent and ensure that this was successfully carried out. There will be a strong focus on project-level payments especially for communities living close to extractive sites.

STRATEGIC OPTIONS

- a.** Campaign for an EITI that is embedded in broader budget and accountability processes.
- b.** Advocate linking EITI data and reports to broader budget monitoring processes in country at national and subnational levels.
- c.** Work on budget prioritisation allocation and monitoring at national and subnational levels (particularly near EI sites), to ensure that budgetary resources are managed and spent efficiently and in the public interest.
- d.** Focus on whether revenue allocations from central to subnational government bodies reach their intended destination and are spent at subnational level efficiently and in the public interest.
- e.** Make governments more accountable for matching spending to rights-based development priorities, in-

cluding Poverty Reduction Strategy Plans, and outcomes that balance the needs of the majority population and those of local communities.

f. Encourage, promote and support the involvement of civil society in budget setting and monitoring at subnational level in resource-rich sites.

2.3.4 PRACTISE WHAT WE PREACH

As indicated above, PWYP’s own governance and accountability are an essential and cross-cutting area of strategic development. Good governance principles of transparency and accountability apply not only to multinational companies, governments and intergovernmental organisations but also to civil society coalitions such as ours. We have an important task ahead to ensure that our governance principles, membership standards, governance structure and financial reporting mechanisms are fully consistent with the “practise what we preach” principle. PWYP’s brand and logo must continue to be associated with integrity, quality and excellence. These issues are the subject of the next two sections.

SECTION 3. GOVERNANCE: PRINCIPLES, STANDARDS AND STRUCTURE

All of the 63 interviewees expressed concern about how the PWYP coalition is governed and how we organise ourselves. Each respondent expressed criticism – bluntly at times – of the way the International Secretariat – both globally and regionally – is governed by two management committees that consist exclusively of donor organisations. As one coalition member stated: *“How can PWYP claim to be member-driven on behalf of Southern voices when those voices do not have any say in the governance structure?”*

Second on the list of concerns were a lack of coherence and harmonisation among the coalitions (81%) and a lack of membership standards (75%). Others expressed concern about the misuse of our logo (55%). All the interviewees wanted to see a complete overhaul of PWYP’s governance framework and gave the International Director the mandate to propose alternatives. These alternatives are discussed in this section.

As part of this review, PWYP needs to consider the wider accountability aspects of governance, including:

- Vision, mission and objectives: what is the coalition all about?¹⁹
- Coalition principles: operating principles that guide our collaboration.
- Coalition and membership standards: who is part of our coalition network or partnership, and what in general are members expected to do?
- Governance and decision-making processes: what types of decisions does the membership have the authority to make, or to delegate their representatives to make, and how will PWYP and its members report to stakeholders and broader communities/audiences on our work and our financing?
- Other issues that may be of concern: e.g. approval of project proposals and results; role of the Secretariat; roles of special committees; procedures for withdrawing from the collaboration; dispute-resolution mechanisms; and limitations on advocacy positions and other public statements.

As mentioned above, members are ready to embrace major changes, which should be ambitious yet inclusive and member-driven. Based on members’ input the following PWYP governance framework has been adopted based on the principle of “practising what we preach”.

VISION, MISSION, STRAPLINE AND OBJECTIVES

VISION 20/20

A WORLD WHERE ALL CITIZENS BENEFIT FROM THEIR NATURAL RESOURCES, TODAY AND TOMORROW.

MISSION STATEMENT

Publish What You Pay (PWYP) is a global network of civil society organisations united in their call for an open and accountable extractive sector so that oil, gas and mining revenues improve the lives of women, men and youth in resource-rich countries.

STRAPLINE OPTION

Two reasons why we need a strapline:

- The name “Publish What You Pay” no longer fully reflects the content of our work.
- External brand recognition is low; outside the EI, hardly anyone knows that our work focuses on extractives.

PROPOSED STRAPLINE:

- Extracting the truth

THEORY OF CHANGE

PWYP is guided by the belief that effectively coordinating the collective actions, skills and interests of a diverse coalition of civil society organisations is the most effective way to influence key stakeholders and to drive policy and practice change in the extractive industries and the governmental sector.

OPERATING PRINCIPLES

- 1.** PWYP is a family, and as a solidarity and value-based movement we are committed to creating a safe environment and to put in place policies and systems to protect our members.
- 2.** PWYP works in a spirit of honesty, integrity and openness; coalition member organisations are accountable to each other, the global coalition and to our donors.
- 3.** PWYP constructively engages with other stakeholders to ensure an open debate for good governance in the extractive industries.
- 4.** PWYP freely shares knowledge and information within and across coalitions to promote change in a multi-disciplinary, cross-regional and multilingual way.
- 5.** PWYP respects cultural diversity and opposes all forms of discrimination; PWYP coalitions are non-partisan.
- 6.** PWYP's strength lies in our members; we recognise and value our members' courage, commitment and contribution.
- 7.** PWYP is a dynamic network; we strive for flexibility, responsiveness and innovation through self-questioning and learning.

8. PWYP membership is open to all civil society organisations that share our vision, mission and principles; we embrace partnerships to leverage our campaign.

9. PWYP is an independent movement and will always advocate and campaign freely, no matter the origins of its financial resources.

10. PWYP practises what it preaches in terms of financial transparency, fundraising and management, avoiding all conflicts of interests and mismanagement. PWYP has a zero tolerance policy for corruption.

COALITION MEMBERSHIP STANDARDS

This is a critical component that touches upon the quality and core of PWYP with 39 coalitions across the world. In December 2011 the Secretariat sent out an internal coalition assessment form to each coalition to better understand the internal governance structures out there. These forms plus regional and national workshops have resulted in the following membership standards.

Currently PWYP's coalition membership standards are that all members of the coalition will:

- a.** Advocate for an open and transparent extractive industry to ensure that its revenues contribute to sustainable development.
- b.** Constructively engage with other coalition members, companies, governments and other relevant actors at national levels.
- c.** Provide regular updates on activities, strategies and plans related to the campaign.
- d.** Proactively speak out to the media and public on the issue of good governance, promote Publish What You Pay, and widely disseminate relevant and important information on the campaign.

New for individual member organisations are that all members should:

e. Be registered civil society organisations or community-based organisations unless there are compelling reasons making this not possible.

f. Commit to PWYP's principles (above) and to its coalition membership standards (below and where applicable).

In addition to standards for individual member organisations, we need standards for national coalitions.

National coalition standards:

a. A coalition should have a strategic plan based on the local context and aligned to the global strategy with clear indicators and targets; this plan should be available upon request but preferably available online.

b. A coalition needs to “practise what we preach” and have clear guidelines or a MoU for financial management, fundraising and information sharing.

c. A coalition should have an open and participatory governance structure made up of members; members who support the coalition financially should not make up the majority of the governing body unless the national coalition has agreed to this governance structure.

d. Coalition decision-making should be by consensus or when necessary by majority vote.

e. While we are not interested in building infrastructure and bureaucracy a coalition should have a dedicated resources person in place who can devote most of her/his time to coordinate the campaign and its members; if hosted by a member organisation, this does not automatically mean that the host organisation is the leader of the campaign.

f. A coordinator should be recruited/selected based on merit and through an objective process; s/he should be accountable to the governing body.

g. A coalition should have a system to regularly review its membership and develop opt-out guidelines.

h. Where possible, a coalition should have members that are community-based organisations affected by EI activities.

i. PWYP national coalitions are autonomous and may have a broader national mandate than is stated in PWYP's global strategy; for regional and international campaigning, coalitions must coordinate with the International Secretariat and other coalitions to ensure coherence and harmonisation.

j. There can only be one PWYP-affiliated coalition per country.

COMMUNICATIONS AND GUIDELINES FOR USE OF LOGO

As PWYP's members, coalitions and Secretariat, we need to communicate with each other and with our external partners and stakeholders – including with companies, governments and intergovernmental organisations—in a coherent, consistent and accessible way. This does not mean that every specific policy detail must be bureaucratically agreed by the global coalition before we can communicate it. But it does mean that our messages should be clear and in harmony with our vision, mission, pillars, principles and standards. The tone of PWYP messages should be constructive and respectful at all times – as well as critical where necessary.

PWYP's logo is valuable intellectual property that we as a global coalition own collectively. We need to use the logo with care to maintain its value.

Guidelines for use of the PWYP logo:

- 1.** National coalitions and the Secretariat are free to use the PWYP logo for public messages.
- 2.** Individual member organisations should use the logo only with agreement from the coordinator of their national coalition or from the International Secretariat.
- 3.** Co-branding a document or other communication or event using PWYP's logo with the logos of other organisations or coalitions is welcome, provided this has agreement from the appropriate national coordinator or the International Secretariat.
- 4.** Members should raise with their national coordinator or the Secretariat any concerns they may have about actual or potential misuse of the logo.
- 5.** Using the logo and/or name for fundraising purposes should always be coordinated with the International Secretariat.

GOVERNANCE STRUCTURE

PWYP International Coalition Strategy Meeting
Representatives from the global coalition will meet every three years for an International Coalition Strategy Meeting (ICSM). The overall objectives of the meeting will be to:

- Review progress made on PWYP's international strategic priorities and, where necessary, adopt changes to the strategy or adopt a new strategy.
- Elect the Global Steering Committee through regional nomination mechanisms.
- Evaluate opportunities to strengthen and broaden civil society participation in the global PWYP movement.
- Exchange lessons learned and best practices.
- Review and adopt any recommended changes to PWYP's principles and membership standards.

PWYP GLOBAL STEERING COMMITTEE

The two management committees and strategy advisory groups will be replaced with a single Global Steering Committee (GSC) made up of regional representatives as well as donor organisations, with a maximum of ten members. This is based on the Africa Steering Committee model. Other regions are welcome to develop their own regional governance structure when appropriate.

PWYP's International Secretariat is hosted by Open Society Foundation and therefore complies with its policies (PWYP is developing a position paper on hosting arrangements).

The terms of reference for the proposed GSC would be as follows:

- To oversee implementation of PWYP's strategic plan and provide strategic leadership as needed.
- To help identify priority areas for advocacy and campaigning at regional and global levels.
- To identify financing mechanisms for the coalition and International Secretariat.
- To uphold, and provide governance according to, the coalition's principles and membership standards. This will include developing and implementing policies on potential repercussions for non-compliance to the principles and standards.
- To review and where appropriate recommend changes to the operating principles and membership and coalition standards.
- To advise on the development and implementation of PWYP's conflict mediation policy, and where appropriate mediate when conflicts occur in and/or between coalitions.
- To oversee implementation of PWYP's global protection policy.

- To develop and supervise the nomination process of the CSO board members on the EITI International Board.
- To provide input into the performance management of the International Director.

Composition:

1. Seven PWYP coalition representatives, elected by each region, and preferably from local CSOs. A region has a representative if there are at least two coalitions and the number of representatives is based on the number of coalitions in that region:

a. Africa will have three representatives based on the following number and sub-regional division of coalitions:

- Francophone Africa : Burkina Faso, CAR, Cameroon, Chad, Congo-Brazzaville, Cote d'Ivoire, DRC, Gabon, Guinea, Madagascar, Mali, Mauretania, Niger
- Anglophone West Africa: Sierra Leone, Nigeria, Liberia and Ghana
- East and Southern Africa: Mozambique, Tanzania, Uganda, Zambia and Zimbabwe

One representative will be nominated by the Africa Steering Committee. In addition there will be one Anglophone and one Francophone representative, where sub-regional and gender balance should be observed.

b. Asia-Pacific (coalitions in Cambodia, Indonesia, Papua New Guinea, Philippines and Timor-Leste, Australia) – one representative.

c. Central Asia (coalitions in Azerbaijan, Kazakhstan, Kyrgyzstan and Mongolia) – one representative.

d. North America and Europe (coalitions in Canada, France, Netherlands, Norway, UK and USA) – one representative.

e. Middle East and North Africa (coalitions in Iraq and Yemen) –one representative.

– No single region can hold more than half the positions available for PWYP member representatives.

2. Two donor representatives, of which one is preferably not a member of the coalition. The International Director will shortlist donor representatives nominated from coalition members that are donors, plus one non-member donor. Nominations will be validated and endorsed by the elected regional representatives on the GSC.

3. An observer, who is either expert in the field of good governance or from a network and/or region where the GSC does not have representation, as agreed by other GSC members. This will be done based on need.

The GSC should aspire to be gender balanced. It will hold two face-to-face meetings each year. Members will be elected by the International Coalition Strategy Meeting for a term of three years. No GSC member can serve more than two terms.

PWYP PATRONS

A new body within the coalition will be set up called: PWYP Patrons. Patrons will be regional role-models who stand for integrity, transparency and accountability, take pride in their association with PWYP and add value to our mission. Patrons will act mainly as ambassadors, to help increase PWYP's visibility and profile and open doors to key people within governments, intergovernmental organisations and the donor community.

The terms of reference for Patrons are:

1. A PWYP Patron has earned her/his profile as a beacon of integrity, transparency and accountability.

2. A Patron has an extensive network of government, intergovernmental and donor contacts and is willing to share these to help open doors.

3. A Patron is financially independent (the position is non-remunerated).

4. A Patron may have a background in civil society, the extractives sector or work in governmental or intergovernmental organisations.

SECTION 4. HOW WILL WE REALISE THIS STRATEGY?

Thus far the strategy document has focused on the strategic pillars and what we want to achieve. It is important to mention the ‘how’s: what interventions we will use in order to achieve the strategy. Again we would like to stress here that our strength lies in our members and we will continue to leverage the skills and (financial and human) resources of our members in order to collectively achieve our strategic pillars. We have identified the following areas of intervention:

- 1. Advocacy:** this continues to form the heart of our work and is what we do best through the joint efforts of the global coalition. PWYP’s advocacy agenda is expansive and reflects PWYP’s belief that transparency needs to be pursued through diverse but complementary mechanisms, such as EITI, IASB, Stock Exchanges Standards and other legislative measures.
- 2. Monitoring and Analysis:** with the data emerging from the increased number of EITI reports, forthcoming US and EU legislation as well as from published contracts there is a need to analyse and monitor the information and integrate it to further enhance our advocacy. This will require significant resources both at national as well as international level and we need to proactively plan for an integration of this component into our work.
- 3. Partnerships:** PWYP will strengthen existing partnerships and forge new ones to help advance the strategic pillars.
- 4. Knowledge management:** PWYP needs to be an expert at managing the knowledge that the coalition and its members create by focusing on its unique and essential task of supporting, coordinating and linking civil society in resource-rich countries. Our strength lies in connecting the islands of excellence and using the acquired knowledge to advance our strategic pillars. We will be focusing on peer learning by coming up with innovative solutions such as twinning coalitions.

5. Coalition building: PWYP’s achievement of the overall Vision 20/20 depends on strong and dynamic coalitions. The Secretariat aims to serve the coalitions better by focusing on good governance, strategy development, joint fundraising and developing a broad-based constituency.

THE ROLES OF THE INTERNATIONAL SECRETARIAT

The interviews also discussed the role of the International Secretariat. While most aspects of the role and most responsibilities mentioned are already carried out by the Secretariat, knowledge management and joint fundraising were notable new areas. These will be explored further in staff retreats to discuss how the Secretariat needs to be structured in order to meet the needs of the coalition.

Recommended roles and responsibilities:

- 1. Implement the international strategy according to the vision and strategic plan.**
- 2. Coordination of the international coalition.**
- 3. Harmonisation and coherence.**
- 4. International advocacy:** bringing coalition priorities to the international arena and keeping the coalition informed of international developments.
- 5. Help build the capacity of coalitions through (joint) fundraising, technical assistance, advocacy support, strategic development, governance support, and action research for evidence-based advocacy.**
- 6. Knowledge management, events and communications:** coalition reporting, news from the ground, social media, annual roadshow, annual open debates, annual review etc.
- 7. Uphold the coalition’s principles and membership standards.**

REFERENCES

- ¹ Cox, B., Campaigning for International Justice, www.bond.org.uk/data/files/Campaigning_for_International_Justice_Brendan_Cox_May_2011.pdf, in which PWYP is described as one of the most successful civil society coalitions of the last decade.
- ² The external evaluation – carried out by the Overseas Development Institute – is still a work in progress and will be finalised by September 2012.
- ³ Harvard University, Hauser Center for Non-Profit Organizations, Tackling the “*Resource Curse: The Role of Brand in a Global Campaigning Network*”, [www.publishwhatyoupay.org/sites/publishwhatyoupay.org/files/Publish%20\(3\).pdf](http://www.publishwhatyoupay.org/sites/publishwhatyoupay.org/files/Publish%20(3).pdf)
- ⁴ These documents are available, respectively, at [www.unrisd.org/80256B3C005BCCF9/\(httpPublications\)/A93CF6EAA4EDAD27C125757D002931BA?OpenDocument](http://www.unrisd.org/80256B3C005BCCF9/(httpPublications)/A93CF6EAA4EDAD27C125757D002931BA?OpenDocument); <http://eiti.org/document/2011-evaluation-report>; www.publishwhatyoupay.org/resources/publishing-what-we-learned; and www.bond.org.uk/data/files/Campaigning_for_International_Justice_Brendan_Cox_May_2011.pdf
- ⁵ This covers about 10% of the membership: the Director aimed for a representative geographical sample as well as a degree of diversity at national level.
- ⁶ Cox, B., cited in note 1 above.
- ⁷ Van Oranje, M., and Parham, H., Publishing What We Learned, www.publishwhatyoupay.org/resources/publishing-what-we-learned, page 9.
- ⁸ GOXI – “Sharing in governance of extractives”, www.goxi.org
- ⁹ Harvard University, cited in note 3 above.
- ¹⁰ On contract transparency, see IMF, Guide to Resource Revenue Transparency, www.imf.org/external/np/pp/2007/eng/051507g.pdf; also Rosenblum, P. and Maples, S., Contracts Confidential: Ending Secret Deals in the Extractive Industry, www.renewatch.org/publications/contracts-confidential-ending-secret-deals-extractive-industries
- ¹¹ See e.g. www.globalwitness.org/campaigns/corruption
- ¹² www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework/GuidingPrinciples
- ¹³ See e.g. www.corporatejustice.org/tax-evasion-in-zambia-five-ngos.html?lang=frwww.counterbalance-eib.org/?p=1273
- ¹⁴ See RWI civil society guide to EITI Rules, www.renewatch.org/sites/default/files/rwi_bp_eiti_rules_0.pdf
- ¹⁵ RWI civil society guide to EITI Rules; see also EITI Rules, http://eiti.org/files/2011-11-01_2011_EITI_RULES.pdf
- ¹⁶ See e.g. www.cfe.org.uk/uploaded/files/Participatory%20Budgeting.pdf
- ¹⁷ www.rotabniger.org
- ¹⁸ See e.g. www.renewatch.org/issues/revenue-management
- ¹⁹ Vision and strategic goals are discussed in Section 2 above.

GLOSSARY AND DEFINITIONS

Accountability	A person's or an organisation's obligation to account and accept responsibility for their activities and to disclose outcomes
Coalition	A group or alliance formed for a specific purpose
Campaign	An organised series of activities directed towards achieving a particular goal
Contract	An agreement between two or more parties, especially a written legal agreement
Dodd-Frank	The US Wall Street Reform and Consumer Protection Act 2010 (sponsored by Senator Dodd and Congressman Frank); the Act's Section 1504 covers extractive industry country-by country reporting
EITI	Extractive Industries Transparency Initiative (www.eiti.org)
EU Accounting and Transparency Directives	European Union legislation, currently in draft form, including a requirement for extractive industry country-by country reporting (Chapter 9 of the Accounting Directive)
Extractive Industries Licence	Oil, gas and mining a legal document authorising the holder to undertake a specific action or actions
Materiality	Significance; in country-by-country reporting, the materiality threshold is the lowest level (smallest sum of money) at which payments are considered significant enough to be reported
Multi-stakeholder	Involving all those with a stake in a particular issue or outcome, whether public sector, private sector or third sector/civil society; the EITI requires implementing countries to establish a multi-stakeholder group (MSG)
Production Sharing Agreement (PSA)	A contract between a host country government and a resource extraction company allowing the company to explore for and/or extract oil, gas or minerals; the host country retains ownership of the resource

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