

Publish What You Pay

Extracting The Truth

By email:

Chair Mary Jo White
Commissioner Luis Aguilar
Commissioner Daniel Gallagher
Commissioner Michael Piwowar
Commissioner Kara Stein

Securities and Exchange Commission
100 F Street NE
Washington DC
20459-1090

1st August 2014

Dear Chair and Commissioners,

I wish to draw your attention to the attached letter, sent by Publish What You Pay's Africa Steering Committee to President Obama, in advance of this week's US-Africa Leaders' Summit. This letter calls on the President to commit to enhancing governance of the extractive sector and to provide a level playing field so that Africans, not multinationals and an elite minority, benefit from the continent's natural resources.

A central element of this is a call for swift publication of the SEC's rules implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was voted into law more than four years ago.

As a civil society movement with more than 800 member organisations, Publish What You Pay is a loud and growing voice for change in the way we extract. Further delay of the 1504 rules will have a severe impact upon communities to make informed decisions about whether and how to extract their natural resources, and we strongly encourage the SEC to issue the rules without delay.

Yours sincerely,



Marinke van Riet
International Director

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OPEN LETTER TO PRESIDENT OBAMA

Dear Mr. President,

We, the African civil society leaders of Publish What You Pay, a global coalition campaigning for an open and accountable gas, oil and mining sector, are addressing you on the eve of the US - Africa Leaders Summit.

We are addressing you as concerned citizens, forced to see their countries cheated out of revenues as illicit financial flows drain Africa of its resources. Because of trade mispricing, opacity and secrecy jurisdictions our continent has lost out on more than \$1 trillion over the last 30 years. Africa is generating revenues, but many of these flow to the pockets of rich corporations and individuals rather than back to citizens. It shouldn't be this way.

We are addressing you as worried parents, who fear that by the time our grandchildren grow up our country's natural resources will have been depleted and we will have little to show for it. Our natural resources are an opportunity for us to create better lives for our future generations, but if good governance does not prevail that chance will be squandered. And with oil, gas and mining, the one chance is all you get.

We are addressing you as committed Africans and credible civil society actors that engage in good governance. Despite the difficulties there is a growing movement for good governance across our continent. Countries are joining, and successfully implementing, standards such as the Extractive Industries Transparency Initiative. They are taking ownership of natural resource management, incorporating the Africa Mining Vision and providing the continent with its own framework. We are building up expectations that the government has a role to manage natural resources in an accountable and transparent manner. But we, as civil society, need a guaranteed space and platform so that we can operate.

You once said that "Africa's future is up to Africans"; and that is all we ask. We are fighting every day to change our future. Every day, we risk arrest and intimidation to bring the issue of natural resources into the open. Where once silence reigned people now debate in the streets how their revenues should be managed. But the extractive sector has many players and there is only so much civil society can do within the current confines of the game. The US and other developed countries, as well as international extractive companies, profit hugely from the sector and the rules play to their advantage. They have their role to play too.

We are not asking for your charity – we are asking for a level playing field. We see the US - Africa Leaders Summit as a crucial opportunity for all parties to make concrete commitments to enhancing extractive governance. We are calling on our governments to commit to an open and transparent bidding process for the allocation of extractive contracts and licenses, including the publication of contracts. We are calling on our governments to commit to creating open budgeting processes, so that we can ensure extractive revenues are responsibly spent. We also ask them to include beneficial ownership declaration forms in procurement and contracts.

We are conscious that our governments cannot act alone.

We have called on our governments. Today Mr. President, we respectfully call on you.

It has been more than four years since you signed the Dodd-Frank Act, section 1504 of which obliges all US listed extractive companies to publish the payments they make. This law will yield crucial data that can help us hold our governments to account, but it has yet to come into effect. We ask you to urge the SEC for a swift publication of the rules governing section 1504 to ensure that they are in line with recent EU legislation and the emerging global standard for extractive transparency.

The US once led on the issue of extractive transparency, we ask you to reclaim that mantle and commit to working with other G7/G20 countries to adopt and implement measures similar to Dodd-Frank 1504 and the EU Transparency & Accounting Directives.

We call on you to commit to strengthening multilateral rules on taxation to clamp down on trade mispricing and abusive transfer pricing, to help ensure that African countries at least have a fighting chance to profit from their resources.

Finally, we ask you to commit to creating a public registry of corporate beneficial ownership information. Countries including the Democratic Republic of Congo, Liberia, Niger, Nigeria, Tanzania and Zambia are implementing this as part of the EITI standard and the UK committed to doing so as part of the *G7 Tax Trade and Transparency* agenda. We are looking at US leadership to follow suit.

Africa has the necessary resources to forge its own destiny. However we need to change the global system that stacks the odds against us. The revolution for open government and transparency has begun, we call on you to help us complete it.

Yours Respectfully,

Publish What You Pay Africa Steering Committee

Representatives of the PWYP Africa Steering Committee

- Taran Diallo, Publiez ce Que Vous Payez Guinee-Conakry
- Ali Idrissa, Réseau des Organisations pour la Transparence et Analyse Budgétaire / PCQVP Niger
- Bubelwa Kaiza, FORDIA Publish What You Pay, Tanzania
- Jean-Claude Katende, Publiez Ce Que Vous Payez, DR Congo
- Gilbert Maoundonodji, Publiez Ce Que Vous Payez, Chad
- Steve Manteaw, Publish What You Pay, Ghana
- Faith Nwadishi, Publish What You Pay Nigeria

African Representatives on the PWYP Global Steering Committee

- Marc Ona, Brainforest Publiez ce Que Vous Payez Gabon
- Cecilia Mattia, National Advocacy Coalition for Extractives, Sierra Leone