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United to End Genocide

February 21, 2019

Francis R. Fannon
Assistant Secretary, Bureau of Energy Resources
US Department of State
johnsonml5@state.gov

RE: Contract Transparency at the 42nd EITI Board Meeting in Kiev on Feb.26-28

Dear Assistant Secretary Fannon:

As you know, contract transparency is on the agenda at the upcoming Extractive Industries Transparency Initiative (EITI) Kiev Board Meeting as part of the discussion on revising the EITI Standard. I am writing to ask that the US Government support advancing contract transparency as a requirement within the EITI.

According to the International Monetary Fund (IMF), the <u>publication</u> of contracts is now established as an international norm alongside project-level disclosure of resource revenues. The IMF first endorsed the practice in 2007. Contract disclosure is required for extractive industry clients of World Bank's <u>International Finance Corporation</u> and <u>Multilateral Investment Guarantee Agency</u> and for petroleum sector clients of the <u>European Bank for Reconstruction and Development</u>. It has also been endorsed by the <u>United Nations</u>, <u>International Bar Association</u>, the <u>B-Team</u>, the <u>OECD</u>, and the <u>International Council of Mining and Metals</u>.

Uptake within the EITI member countries has also been strong since the EITI changed the Standard to "encourage" contract disclosure in 2013. Already more than half of implementing countries have already disclosed contracts (31 of 51) and 24 have laws requiring disclosure. Within the private sector, at least 16 EITI supporting companies have made statements supporting contract disclosure. This includes seven out of the 10 extractive industries companies on the EITI Board.

Given these developments, Publish What You Pay - US (PWYP-US) along with the global PWYP network is backing an EITI contract

disclosure requirement and hopes that the US Government will, too. As a strong supporter of EITI, we ask the US Government to use its position of leadership to ensure that the EITI Standard keeps pace with the international norm. Failure to align with global standards threatens the credibility of EITI and those who support and engage with it.

We would be grateful if you could share the US Government's position on this matter.

Regards,

Filmona Hailemichael Director Publish What You Pay - United States

CC:

Daniel Kaufmann, EITI civil society board member for Europe and North America

Jana Morgan, EITI civil society alternate board member for Europe and North America