

**Contributions to Transparency and Accountability: Natural Resource Governance
From OSF Unit Proposed Strategies 2014 - 2017**

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ADVOCACY AND OPERATIONAL OFFICES

OSF-DC

IV. Concepts and Initiatives

From: International Issues

Transparency – **OSF-DC will continue to work with others for full US implementation of Cardin-Lugar and to secure USG support to make it a global norm. George has raised this and other transparency issues with Secretary Kerry and others and we remain deeply involved in helping move them forward at the G8/G20 summit.** We are also helping to launch a campaign to pass US legislation preventing the use of shell corporations for money laundering and mandating disclosure of beneficial ownership which we hope will also become the basis for a global norm. We have a high degree of expertise in this area and prior legislative success to build on.

From: Addendum: Preliminary OSF-DC 2014 Work Plan
International Issues:

Transparency and Anti-Corruption – **Defend the Cardin-Lugar standard in the US and work to promote it as an international standard;** develop a campaign to increase the transparency of shell corporations.

GEOGRAPHIC PROGRAMS AND FOUNDATIONS

OSA

5. Contribution to Shared Frameworks

The shared frameworks (either formally proposed or which are likely to be proposed) which would appeal most to OSA, given our challenges, are:

Tax havens/financial transparency. **Effective citizen engagement in monitoring extractive industries and government revenue management.** We hope OSF will build globally on its successes with Revenue Watch, EITI and other initiatives which have given dedicated citizens the means to understand revenue management, and further develop the tools which allow ordinary citizens to creatively engage in protest and lobbying for changes.

AfRO

From: 5. External Fields

ii. Natural resource governance¹

For many African countries the extractive industries are the main driver of economic growth. However the benefits of this growth are often not invested into sustainable growth in the wider economy. As the next OSF strategy period will see a significant expansion of extractives revenues in Africa, the need for transparent regulatory frameworks effectively implemented is increasingly important. Without this, the growth in revenues will have a negative impact through increased corruption and unequal distribution of and access to resources.

The fight for transparency and accountability around natural resource extraction has been at the core of OSF's global mandate for years and is deeply embedded in OSIEA's, OSISA's and OSIWA's strategies. OSFSA will join them in 2014. Working with the foundations, the AfRO advocates have been engaged in efforts to promote revenue transparency in the extractives sector at the international, continental and sub-regional levels for a number of years. This experience will help AfRO to support foundation efforts to exploit the advocacy opportunities around sub-regional initiatives, including ECOWAS' Mining Sector Directive and Mineral Development Policy, and the SADC Parliamentary Forum's Extractives Industry Barometer. The new OSF Money and Public Interest (MPI) Program brings further resources and expertise that can support this work.

In the 2014-17 strategy cycle, AfRO will help consolidate the shift in natural resource governance work from transparency to accountability ten years after the launch of the Publish What You Pay (PWYP) campaign. It will provide a bridge between OSF and continental efforts to build a constituency for the African Mining Vision.

In 2014, AfRO will support OSFSA's planned efforts to increase the accountability of South Africa's mining sector, domestically and continentally, in partnership with OSISA. We plan to explore, with OSISA, OSFSA and others, a special project to support the building of a coalition for accountability and transparency around the oil sector in Southern Africa. We will also support OSIEA's work on the implementation of the African Union Mining vision and Action plan in emerging frameworks for natural resource governance at the regional level in East Africa.

From: 8. Other Significant Collaborations

OSFSA, OSIEA, OSISA, and OSIWA are AfRO's primary collaborators. We also collaborate with a number of network programs and the Africa-focused advocates in OSEPI and OSF-DC are de facto members of the AfRO Advocacy team. In 2014-2017 we foresee the following strategic collaborations:

- Money and Public Interest Program: AfRO will collaborate with MPI around anti-corruption and natural resource governance goals.

¹ **National targets and partners:** PWYP National Coalitions; National Petroleum Companies; Energy Ministries; Mining Ministries. **Regional and Continental targets and partners:** Southern Africa Resource Watch (SARW); PWYP Africa Steering Committee and Africa Coordinator; the African Commission Working group on extractive industries, environment and human rights violations. **International targets and partners:** PWYP International; RWI; Global Witness; ONE; Oxfam; Save the Children; CAFOD; Secours Catholique; multinational oil and mining companies (e.g. Shell, Total, Tullow, Vale etc.); foreign national oil companies (e.g. CNOOC, Petrobras etc.).

- Open Society Justice Initiative: The collaboration will focus on anti-corruption, citizenship, counter-terrorism, freedom of expression and information and international justice efforts.

CEP

From: FIELDS, CONCEPTS, AND COLLABORATIONS

Priority 3: Making Transparency and Accountability Bite

Traditional transparency and accountability (TA) initiatives like EITI have been successful at establishing the legitimacy of the TA agenda in Central Eurasia, yet they have struggled to create impact on the ground. At the same time, more targeted efforts on **electricity governance** have been able to demonstrate results in Kyrgyzstan, but have not replicated this success in less conducive environments. What limited transparency has been achieved has not yet reliably translated into accountability to the region's citizens. Correcting this will involve both steps to build the field of transparency activists and a concerted campaign to expose and fight grand corruption.

Field 3 – Transparency and Accountability

Partners

OSF has been a lead player in establishing the field of transparency and accountability in Central Asia. Over time, other donors and groups have taken over funding and other responsibilities. The national foundations and CEP have agreed that CEP's added value is in supporting organizations that are members of the Electricity Governance Initiative (EGI), another important sub-field. In Kyrgyzstan, Unison has been playing a key role in the sector and helped achieve savings of roughly \$200 million for Kyrgyz electricity consumers and taxpayers. In Tajikistan, the Consumers Union of Tajikistan has established innovative, crowd-sourced information systems that hold government actors to account over electricity delivery problems in the country. In a more modest fashion, CEP has also helped transfer its experience further afield to Mongolia and Pakistan. In Kazakhstan, the national foundation and CEP are in the process of identifying partners for the strategy period. The World Resources Institute (WRI) and Prayas Energy Group support the integration of our Central Asian grantees into the international EGI network.

CEP's main mechanism in this field is grantmaking, although program staff plays a significant advisory role. The overall aim in our support going forward is to increase the "bite" that local campaigns have vis-à-vis entrenched government and industry interests. However, we realize that in this narrow case our role is not only to be critical of governments but also to apply our accumulated expertise constructively when circumstances require.

Strengthening the Field

In the last five years of support our partner organizations have become reputable experts in their fields. Going forward, our support will allow them to continue the important work of building meaningful and effective campaigns. Funding will emphasize a few themes elaborated jointly with them:

- *Innovation:* Making use of innovative tools and technologies that allow for easier accessibility by other expert activists.
- *Integration:* Efforts that focus beyond their localized contexts and serve relevant regional and international campaigns and initiatives such as EGI, EITI, etc.
- *Reach:* Broadening activists' outreach beyond traditional NGO communities.

Comprehensiveness: building an integrated community of projects and organizations, from the more constructive to the more critical.

Significant Collaborations within this Priority

Each of the region's national foundations has a focus on transparency and accountability. In the absence of a network program leader, CEP has often been their collaborator of choice, initially on natural resource issues and now on electricity. Going forward, we will work closely with Julie McCarthy and OSEPI since their ideas on beneficial ownership and ending secrecy jurisdictions intersect with our Focus on the Families initiative. RWI remains an important contact point. **On electricity, key collaborators have been the local partner groups in Kyrgyzstan, Tajikistan, Mongolia and Pakistan, as well as the secretariat of the Electricity Governance Initiative at the World Resources Institute and Prayas Energy Group in Pune, India.** On grand corruption, we expect to collaborate with Sherpa, Global Witness and the International Consortium of Investigative Journalists.

OSIEA

From: 3. Fealty to Fields and Places

In budget transparency, we will focus on budget monitoring at the local level to increase accountability by governments. Through documentation and advocacy, we will enhance the effectiveness and independence of anti-corruption bodies. **Recent discoveries of natural resources in the region including oil and gas are opportunities for economic growth, but the natural resource curse beckons. Kenya, Uganda, and Tanzania will soon join Sudan and South Sudan in exporting oil. Competition between local communities in resource rich regions and governments, over local benefits could create new flash points. Without transparent natural resources governance laws, corruption will increase in the region. OSIEA will join others to advocate for better legal and policy frameworks on exploration, exploitation, and use of natural resources.**

TRANSPARENCY²

² Partners include Hurriyat Sudan, Sudan Tribune, Advocates for Natural Resources and Development (ANARDE), Greenwatch, National Association for Professional Environmentalists (NAPE), Development Law Associates (DLA), Historic Resources Conservation Initiative (HRCI), HakiMadini, Publish what you Pay South Sudan, Centre for Democracy and Development (CEDEC), Skills for South Sudan, Resource Centre for Civil Leadership (RECONCILE), National Taxpayers Association (NTA) and Uganda National Health Consumers Organization among others

Denial of access to public information remains a serious obstacle. While Uganda is one of the few African countries with an access to information law, it has yet to be implemented. OSIEA will support partners to undertake budget monitoring at the community level, strategic litigation to compel release of information, and public advocacy to press for an end to the culture of state secrecy. **A particularly difficult area that warrants attention is that of natural resource revenues (particularly oil).**

The **resource extraction industry** is growing exponentially across Eastern Africa. The enormous economic opportunity has raised concerns for sustainable environmental governance, revenue management, public health, community compensation and justice. Human rights defenders have organized around these sectors to fulfill a crucial advocacy and monitoring role, often encountering hostile government and corporate interests. Access to information on natural resource exploitation, management and investment will allow citizens and communities to understand the implications and to question and benefit from the revenues. In addition, civil society advocates can be exposed to international best practices and can advocate for the development of legal and policy frameworks for natural resource governance at the national and EAC level.

From: 4. Concepts and Initiatives

Build South Sudanese civil society capacity in natural resource governance. South Sudan has resumed oil production after sixteen months suspension. Aware of the danger of over relying on oil, the government is likely to diversify exploitation of other natural resources. This will occur in a rush and people's human rights are likely to be compromised. There are no laws governing such natural resource exploitation and the capacity of civil society to play a watchdog role is virtually non-existent. OSIEA will actively engage and expose civil society to the debates and international standards regarding natural resource governance. Success will be measured by the growth of an effective civil society oil governance sector. [South Sudan Program]

SFKyr

From: **Fealty to fields and Places**

We have identified five fields where SFK will make contributions to assist in the development of positive tendencies.

Transparency and accountability

The Kyrgyz Republic has substantial deposits of coal, gold, and uranium. Gold is the country's main export. Mining constitutes about 11% of budget revenues, about 10% of GDP and 40% of export earnings for the Kyrgyz Republic. 57 companies are currently operating in this sector. The country's energy potential is indicated as the 4th highest among CIS countries. Of course there was great work done in the transparency of the mining sector with EITI, for example, but now most of the NGOs we have in this field are ecologists. One of the strongest NGOs for mining transparency is "Tree of life," which actually has an ecological background and focuses on environmental issues and accountability. But the gap is much bigger than just environmental issues, and there is no leading NGO in this sector with deep expertise who can fight for transparency in a broader aspect. EITI reporting doesn't provide the transparency people expect to see on licensing processes, how the wealth is distributed etc. There is still a gap in communication between local communities, corporations and the government. Communication that does take place is not constructive. Proof

of this can be evidenced in the current auction for the Jerooy mineral deposit, which was listed for \$300 million. There was only one bid in this action, from a company that was recently registered in London. A quite similar situation can be witnessed in the electricity sector, where the absence of a net cost for 1 kWt production creates space for manipulations with consumer prices and corruption in the expenditure budget of utility companies.

Within four years SFK will create an adequate civil society based extractive and electricity industries monitoring capacity, publicize major concerns and raise citizen awareness, and ensure communities' engagement and participation.

We intend to support our major partners in this field because we believe in their commitment and expertise. *Alliance for Transparent Budget* was supported by Soros Foundation for the last 3 years to implement civil budgeting and make budget processes more transparent on the national level. The Alliance consists of twenty NGO members with a strong presence in the regions, including extractive affected areas. Eurasia Foundation of Central Asia, a local NGO, is one of the leading organizations working on the prevention of conflicts between local communities and mining companies, and for the last 2 years has gained significant expertise and understanding of extractive industry in Kyrgyzstan and has a great experience in budget literacy promotion. Another partner we envision supporting is the Regional Environment Centre which is resourceful in advocating for environmental issues and currently is working on monitoring of state expenditures allocated for environment restoration in mining.

Contributions to shared framework

Regarding shared frameworks, we see the potential to contribute to Criminal Justice Reform, Youth Activism, Crime and violence prevention, Media and ICT sector development and **Transparency and Accountability** of CEP and network programs, we also expect to remain in collaboration with East East Beyond Border program.

Other significant collaborations

In the field of transparency and accountability we have achieved some preliminary agreement with the World Bank to coordinate and co-finance educational activities for local communities in mining affected regions. The World Bank intends to invest about \$200 000 in 2014 for this purpose.

LAP

FROM: 4. CONCEPTS AND INITIATIVES

Concept 4: Governance of Extractive Industry and Infrastructure Projects

Contributing LAP subprograms: Human Rights and Transparency & Accountability

Throughout the region, social conflicts over extractive industry and infrastructure projects have raised underlying governance questions regarding who makes decisions, and on what basis, about the use of land and natural resources. In Peru, hundreds of such localized conflicts have led to

national-level governance crises, with protestors killed or arrested without due process, leading President Humala to replace his prime minister twice, as well as a number of cabinet members. This issue involves the areas of human rights, transparency and accountability and sometimes criminal justice, but is not contained within any one of these specific issue areas. Working with partners in the region, LAP will develop a focus on the role of the Brazilian National Development Bank (BNDES), looking in particular at its role in Peru. At the same time, LAP will conduct a series of internal conversations with input from outside stakeholders to clarify and further develop a strategy for OSF to contribute to this key rights and governance challenge in Latin America.

- *Outcome:* The BNDES adopts and implements human rights standards, and discloses relevant information about the social and human rights impacts of the activities it finances outside of Brazil.

BNDES has significantly expanded its reach within Latin America, financing infrastructure projects with the participation of Brazilian companies. Despite growing concerns about the impacts of these projects, affected communities and civil society organizations have few avenues to address negative impacts, as BNDES does not have safeguard policies, nor must it disclose information on its activities outside Brazil (as most multilateral development banks are required to do). OSF will stimulate and support: a) coordination and information-sharing between Brazilian NGOs, affected communities and NGOs in countries where BNDES-backed projects operate, and civil society groups experienced in working to improve standards of multilateral banks; b) documentation of the nature and impacts of BNDES-backed projects in Latin America, and the relationship of Brazilian companies to governments in the region; c) advocacy to persuade or pressure BNDES to make information on its loans and activities outside of Brazil available to the public; d) advocacy for transparency in the relations between Brazilian companies carrying out projects and host governments; and e) advocacy for BNDES to disclose and address the human rights consequences of its activities. Beyond grant making, OSF will facilitate collaboration among organizations in different countries, promoting an information- and evidence-based advocacy approach that prioritizes and tests the effectiveness of direct engagement with decision-makers as opposed to adversarial approaches. OSF will develop relationships with actors in BNDES and advocate directly where appropriate. Progress markers include: a) information sharing among civil society organizations; b) public attention to BNDES-backed projects in Latin America and their impacts; and c) steps taken by BNDES to make more information available on projects financed outside of Brazil and to address human rights aspects of its activities.

This proposed concept focusing on BNDES is likely relevant and applicable to a broader set of sovereign and regional banks recently established or expanded in the Global South and East. There may be good reasons to develop an OSF shared framework on the governance of new or emerging sovereign or regional banks, and LAP proposes to explore this possibility.

FROM: 5. OTHER SIGNIFICANT COLLABORATIONS

Right to Information, Transparency & Accountability

- *Media Program:* Support for investigative journalism in Central America, journalism safety, media law reform, and regional media and freedom of expression policies and standards.
- *OSJI, Information Program and Media Program:* Support the Office of the Special Rapporteur for Freedom of Expression for the IACHR to develop principles on internet rights for Latin America.
- *OSJI:* Likely collaboration on using OGP to increase transparency and accountability in police and justice sector institutions (see Concept 5).

Information Program: Assessing the limits of ICTs for the field in the context of a joint initiative with the Hewlett Foundation, Omidyar Network, and AVINA Foundation.

Mongolia

4. Foundation Concepts and Initiatives

4.1 Making Transparency and Accountability Work

To date a great deal has been accomplished in creating the basic conditions for government and private (primarily mining sector) transparency and accountability. Recent achievements include adopting a right-to-information law, introducing disclosure requirements for assets and conflict of interest by government officials, improving budget transparency and citizens' engagement, **joining the Extractive Industries Transparency Initiative, and introducing fiscal rules for managing mineral revenues.** The Forum has played a leading role in all these accomplishments and has built significant in-house capacity to research and monitor, and to bring together stakeholders from various sectors to discuss and agree on next steps. Both the government and private sector seem to have gradually accepted principles of transparency, public oversight and corporate social responsibility.

However, the battle is not yet won. Civil society capacity is developing, but is not yet adequate to the task of monitoring and analyzing complex budgets or mineral contracts, mobilizing citizens as abuses become apparent, and bringing suspected irregularities to the attention of authorities, the media, and independent analysts. **Most critically, the expected massive influx of revenues from extractive industries and the manifold possibilities this presents for corruption and self-dealing will put enormous strains on the system; a critical window of opportunity exists now, while significant public revenues are expected – and public expectations are high as to how they will benefit the country – but before their influx has entrenched corrupt patterns.**

Over the next four years, and particularly in the coming year, the Forum intends to lead a relentless campaign focusing on filling the gaps in and the actual implementation of laws, policies, systems and practices which ensure transparency and accountability

Outcomes:

- A strong and independent civil society monitoring capacity will be in place. The Forum itself will specialize in high level and detailed analyses of transparency and accountability mechanisms, fiscal policies and **natural resource revenue management.** At least several NGOs able to monitor budget, contracts, revenues and spending in important regions and industries will have been strengthened or established, with multiple funding sources;
- Fully adequate standards for transparency and accountability will have been adopted, built around best practices and tools enhancing citizen participation, particularly focused on central and local government budgets, delivery of public goods including energy and infrastructure, and the management of state owned enterprises; and,
- **Best practices specific to extractive industries management and revenue management will have been widely publicized and pushed. The most important will have been codified in laws and regulations, including those related to pricing/valuation, licensing/concessions, supply chain contracting, and reporting transparency. Specific revenue management rules will be adopted and adherence to these rules will be monitored by the Forum and its partners.**

Tools and Major Partners: The Forum plans to use a mix of monitoring, advocacy, strategic litigation and capacity building approaches; we will be making targeted grants to partners and make funding available for technical assistance and analyses. The closest allies in carrying out these efforts are likely to be the *Citizens' Budget Oversight network* and the *Publish-What-You-Pay coalition*. Other potentially important partners are elected local citizens' councils and other oversight entities such as audit and anticorruption agencies.

The Forum plans to continue its collaboration with OSF foundations in other mineral-resource rich countries, with Revenue Watch Institute, the International Budget Partnership and others, especially in terms of identifying best practices, capacity building for civil society actors, commissioning shared policy research and designing advocacy campaigns. The Forum will coordinate its efforts, and aggressively seek co-funding and funding coordination from donors such as the World Bank and bilateral donor agencies.

Opponents/Risk: Transparency and accountability efforts may face opposition from some circles within government and the corporate world in that our work can lead to increased costs and capacity requirements, and require an overhaul of government and corporate secrecy and confidentiality practices.

The main risks we face are two. The capacity of civil society organizations to track, analyze and interpret complex contracts and revenue management processes may be difficult to sustain – it is not yet clear how talented independent analysts can be retained when the growing private sector can offer better benefits. However, we believe the importance of the subject, opportunities for professional growth, and interest of international organizations to fund such activities can generate sufficient incentives for such analysts to work in non-government sector. Secondly, since the Forum itself will be providing the higher level analysis, or contracting for it, we may appear to be directly taking on actors with opposing interests, and this may result in political attacks on our work. The Forum will rely on its independence, transparency and professional integrity to mitigate this risk.

Measures of Success. Our work in this area will be assessed in the first place against the achievement of the objectives that we have set out. In addition, the Forum will track Mongolia's progress in transparency and accountability rankings, commission a formal evaluation of the success of transparency and accountability mechanisms in leading to specific policy actions, and document success stories to share with the public during the implementation of our strategy.

OSF-SA

4. CONCEPTS AND INITIATIVES

Mindful of our consolidation phase, OSF-SA proposes two initiatives for 2014, which will provide increased traction in promoting the goals of an open society. These initiatives will be undertaken in close collaboration with internal and external partners, using the full set of tools that are available to us as a grant maker.

The proposed initiatives are:

1. Social auditing of public service delivery at local government level
2. Accountability and transparency of the extractive industry through a collaborative project with OSISA, external partners and relevant OSF programmes

Accountability of the extractive sector

South Africa's mining sector, though past its productive peak, contributes an estimated 18% of gross domestic product. For more than 100 years, the sector has been poorly regulated – a laxity that now extends to the beneficiaries of black economic empowerment, many of whom are closely associated with the ruling party. The events at Marikana last August spotlighted the platinum sector, where conflict has been fuelled by a combination of poor living conditions among miners and intense trade union rivalry. A focus on revenue and expenditure transparency in gold, diamond and platinum mining will enable civil society in the region to ensure greater accountability for the sector, including its health, safety and environmental practices. Beneficiaries will include miners and their families throughout the SADC region.

We propose to conduct the initiative in close collaboration with AfRO, OSISA, the Transparency Initiative, the Justice Initiative, the Money and Public Interest Program, and the Public Health Program, using capacity building and research; paralegal support to mine worker communities; litigation; and financial literacy training. Key strategic partners will include the Extractive Industry Transparency Initiative; Publish What You Pay Coalition; Revenue Watch Institute; and the Southern African Resource Watch. We aim to secure the support of the South African government, SADC governments and senior mining executives. The strongest opposition is likely to come from some mining houses and influential beneficiaries.

Progress will be assessed by improved transparency in the sector, including traceable revenue flows and enhanced acceptance of social, economic, health and environmental responsibilities.

Risks include intimidation of activists and NGOs; failure to obtain trade union support as a result of growing fragmentation; government reluctance to commit to transparency initiatives; and insufficient inclusion of regional participants.

OSISA

From: 2. PROGRAMME CONCEPTS AND INITIATIVES

Improving resource governance - beyond transparency

The opportunity: The resource explosion in Southern Africa has occurred at a time of increasing demand, and a global campaign for improved governance, transparency and benefit for states and their citizens. In 2011, the Africa Union adopted the Africa Mining Vision articulating a vision of “transparent, equitable and optimal exploitation of mineral resources” underpinning sustainable economic growth and development. There are emerging community level movements aimed at minimising local environmental impact of extractive industries and maximising their contribution to local economic development. In the developing focus on extractive industries, OSISA and its special program Southern African Resource Watch (SARW) have established a strong reputation based on the work summarised below. There is an opportunity for OSISA to make a major contribution to realising the African Mining vision.

OSISA's Capacity: SARW has played a leading role in transparency initiatives in the region and has variously assisted in the renegotiation of mining contracts, the review of mining policies and laws in Mozambique, Zimbabwe, the DRC, Lesotho and Mozambique, and the development of a resource barometer in collaboration with MPs from the SADC countries. In doing so, we have worked with governments, parliaments, lawyers' associations and various international transparency initiatives, UNDP, and other funders. SARW's expertise is recognised by other actors in this space, who

frequently seek advice, participation in meetings and partnership with SARW on specific programmes. At a completely different level, SARW has worked with mining affected communities in Mozambique and the DRC to monitor, mobilise and represent their interests to both government and the mining companies.

The work: The next four years, will see SARW continue to support the development of resource legislation, assist governments in developing codes and negotiating contracts, and assist parliaments to use the National Resource Governance Barometer the development of which was led by SARW. SARW will build on current experience to support the emergence of strong and organised mining communities and continue to invest in civil society actors monitoring revenue flows and the environmental and economic effects of extractive industries on the host countries.

The SADC Initiative: SADC's role in resolving regional governance crisis such as Zimbabwe, DRC and Swaziland and implementing policies that address the scourge of poverty and inequality and opening society is becoming more important. Beginning 2014, OSISA will launch a major policy and advocacy initiative to consolidate its relationship with, as well as advocacy and policy engagement at the SADC. This Initiative will strategically deploy the Foundation's intellectual and financial resources to generate and improve accountability of the regional body to SADC citizens. Further, this Initiative will incorporate advocacy for the enforcement of SADC protocols that advance democracy, good governance and the rule of law; promote social inclusion through social and economic policy, enhance free movement of SADC citizens through supporting advocacy that enhances people-centred regional integration models. To get this Initiative off the ground and register the impact we seek, OSISA will, among other things:

- **Appoint a dedicated senior level advocacy programme specialist stationed for the most part in Gaborone, shadowing SADC.** This specialist will be responsible for leading, coordinating and implementing advocacy and policy work that advances the strategic objectives of the SADC Initiative. This specialist position will be jointly supported by the Africa Regional Office.
- **Working through SARW's lead agency, support the SADC Parliamentary Forum's efforts towards implementing the Natural Resources Governance Barometer,** which was designed to promote smarter oversight and enhance transparency of the extractive industry sector, including improving law making and engagement with private sector in this effort;
- **Support the launching of a SADC wide democracy radio** project that works across the region with community radios, national radios, and other media to inform and integrate citizens, disseminate information on governance, democracy, economy and society with a view to supporting rights-based integration models and social accountability demands towards SADC.

Enhance civil society's policy and advocacy work at the SADC level through targeted support to SADC-focused civil society organisations and social movements.

OSIWA

From: 3. FEALTY TO FIELDS AND PLACES

2. ECONOMIC GOVERNANCE

Governance of West Africa's economy is intricately connected to the future of democracy, peace and stability in the sub-region. **Natural resources play a major role as economic mainstay in many countries. However, corruption and lack of accountability constitute major bottleneck to accruing benefits from the resource revenue flows to a majority of the citizens.**

Government - especially the executive arm - uses its enormous powers and authority to control and influence other arms. For example, it uses the allocative powers to control oversight functions of the Legislature/Parliament and appointive powers over the functioning of the Judiciary.

The overall goal is to support participatory, transparent and accountable management of natural and public resources to ensure equitable distribution of national wealth, sustainable and environmentally-friendly development. OSIWA also seeks to address systemic and procedural deficiencies and inefficiencies in States' management of economic affairs, by ensuring that citizens play an active role in shaping and monitoring the actions and results of Government. Achieving this requires innovative multi-stakeholder interventions to strengthen resource management and allocation to respond to citizens' needs. Additional interventions must link accountability to efficiency and service delivery in critical sectors for empowering citizens (e.g. education and health), strengthening human security – especially food security both in the context of governance of agricultural sector and climate change. **Strategic alliance has been developed with established networks such as Publish What You Pay (PWYP) and Extractive Industries Transparency Initiative (EITI),** national litigation, advocacy and policy research organizations such as the Integrated Social Development Centre (ISODEC) and Centre for Public Interest Law (CEPIL) in Ghana, Rice and Rights Foundation (Liberia) Coalition for Transparency and Accountability in Education (COTAE) (Liberia), Citizen Budget Information Technology Network (BudGIT) in Nigeria, and Association pour le sourire d'un enfant (Senegal). Existing partnerships with ECOWAS, development and monitoring agencies such as OXFAM and Transparency International will be further nurtured in advancing social accountability and economic governance.

From: 4. PROGRAM CONCEPTS AND INITIATIVES

B. MOBILIZING FOR ACCOUNTABILITY

Promote the equitable distribution of gains from natural resource exploitation and the effective delivery of public services.

At the root of the economic malaise of the sub-region is an inability, whether inadvertent or otherwise, to effectively manage and redistribute the gains garnered from public resources in a transparent, accountable and equitable manner. While some countries have made progress, others have had their gains reversed due to instability and conflict. It is often said that West Africa has all the resources it needs to „take care of itself“. But this fact is usually contradicted by various development measurement indices that place countries of the sub-region at the bottom. OSIWA's work on economic equity in the period 2014-2017 will ensure that the sub-region does indeed start to „take care of itself“ to ensure **resources are effectively managed**, public gains are equitably redistributed and **public services** are adequately delivered. To do so, OSIWA will work on the following initiatives:

a) Support effective Natural Resource Management frameworks

Natural resources are the mainstay of the economy of most West African countries. As much of the rest of the continent, the sub-region is endowed with numerous natural resources. Nigeria is the

largest producer of crude oil, Guinea is the largest producer of bauxite, Niger is the largest producer of uranium, while Ghana is the second largest producer (after South Africa) of gold. The exploitation of these resources contributes significantly to the export earnings of these countries, although the net earnings may not be as significant after considering the generous incentives given to mining firms (i.e. permission to retain at least 75% of earnings in offshore accounts for the purchase of equipment, machinery, etc). Thus, improving the management of natural resources must not only look at the redistribution of the gains earned, but also at maximizing those gains through contractual terms that benefit the population. Implicit here is the management of the adverse effects of the exploitation, i.e. on local communities and on the environment. To improve management of natural and mining resources so that they become a catalyst for sustainable growth in the sub-region, OSIWA's interventions in supporting the effective management of resources will be to:

- **Implement effective regulatory framework** on natural resource management in countries such as Guinea, Liberia, Niger, Sierra Leone and Nigeria.
- **Improve capacity of government agencies** (in countries where implementation of policies have also proved difficult) to address this gap.
- **Support CSOs to demand effective management of resources**, monitor natural resource management, and mobilize citizens to pay attention on how these resources are applied.
- **Promote the Africa Mining Vision and the ECOWAS mineral development policy** and use them as a platform for engagement with diverse stakeholders on resource governance.

Main Activities for 2014: Work with select communities in mining areas to engage with Governments and mining companies to ensure greater accountability and respect for human rights. Progress on this initiative will be measured through strengthened oversight functions and capacity of key government agencies to implement relevant policies; the number of activities around citizens' mobilization and their empowerment to play their role as watchdogs on policy implementation.

THEMATIC PROGRAMS

AEPDI

From: Contributions to Shared Frameworks

Our second OSI partnership is on the Extractive Industry Transparency agenda especially with the Revenue Watch Institute to support the reforms of the Guinea mining sector for greater transparency and rule of law.

II

3. and 4. Proposed Strategic Priorities 2014-2017

ii. Program Concepts and Initiatives

Goal: Motivate and sustain a handful of high-profile cases that, by example and through dissemination of lessons learned, help to strengthen law enforcement’s willingness and ability to undertake major prosecutions targeting high-level corruption, particularly relating to resource extraction.

Many rights advocates are now focusing on the relevance of the anti-corruption struggle to the human rights agenda. At the same time, the economic crisis in developed countries has increased anger about the abuse of offshore mechanisms by the wealthy and powerful to evade taxes and safeguard the proceeds of corruption and other crime in those countries. The fact that many of the same offshore mechanisms are employed by kleptocrats, tax-avoiding corporations, and organized criminal organizations suggests the possibility of raising awareness of potential common interests among aggrieved populations in different continents to battle such abuses.

Through our case development work, we have come to understand how to approach the pursuit of legal remedies against the same or related perpetrators in different jurisdictions, “arbitraging” particular strengths that different jurisdictions provide to allow the cases to help each other advance. One jurisdiction provides opportunities for robust discovery; another has accommodating standing rules for civil society actors to participate; yet another may have useful FOI regimes, legislative or other non-judicial investigative mechanisms, or ample access to relevant information or evidence, including through presence of a large diaspora population. Our increasingly refined case “templates” or scenarios help guide on-the-ground investigators (including local advocates) to work most effectively in developing solid cases for advocacy and/or litigation. We have also come to recognize the potential for linking up the struggles of aggrieved populations in developed and developing countries, particularly through litigation focusing at least in part on the role of professionals servicing the offshore financial mechanisms that enable much of the harm to be perpetrated.

Even eight years after we launched this work, civil society groups actively pursuing legal remedies for grand corruption can be counted in the single digits. These cases are complex, politically sensitive, expensive, often legally novel, and hampered by powerful bank secrecy protections for perpetrators. They can also involve serious physical and other risks. It is not surprising that most civil society groups lack the financial or technical legal capacity, and the international reach, to undertake such efforts. OSF brings a global network that invites us to join colleagues and outside partners from different regions in working on different aspects of one, or several related, case initiative(s), either assisting our case work, or advancing their own advocacy using the information and publicity generated by our cases, or both.

2014 Objectives:

- If the Swiss prosecutor has decided to file Angola/Russia oil debt deal charges in the currently pending case, work in support of a trial order by the investigating judge by supplying as needed additional information or legal analysis.
- Persuade prosecutor/investigating judge in one other forum (Luxembourg or Portugal) to open legal investigations into the Angola/Russia oil debt deal.

- Partner with anti-corruption activists to develop and pursue claims, in Equatorial Guinea and elsewhere in African and other fora, to address grand corruption; engage in public education and advocacy with relevant actors in support of such cases, including under Article 21 of the African Charter at the African Commission on Human and Peoples’ Rights.
- Secure action by UK authorities on a case of resource corruption from Democratic Republic of the Congo (DRC) we submitted in 2012.
- Provide support to partners pursuing pillage charges based on the two fact patterns from the DRC and Sierra Leone we have helped to develop, and assist prosecutors/investigators in Switzerland, Belgium, the US and possibly other jurisdictions who accept such cases with additional information and/or legal analysis.

Proposed OSF Partners: OSIWA, OSISA – Johannesburg, Luanda, OSIFE, Renaissance Foundation, MPI

MPI

3- Fealty to Fields

Natural Resource Governance

OSF has played a central role in creating and shaping the natural resource governance movement as we know it today, a movement dedicated to promoting effective, open and accountable management of oil, gas and mineral resources. From co-founding the international Publish What You Pay (PWYP) Coalition and creating the Revenue Watch Institute (RWI), to helping seed EITI and secure the recent passage of mandatory disclosure legislation in the U.S. and EU, OSF’s international grantmaking and advocacy remains central to the dynamism and sustainability of the field today. In partnership with PWYP and RWI, OSF’s local foundations in Central Asia/Caucasus, Africa, Southeast Asia and Latin America have actively helped cultivate local extractive watchdog organizations and monitoring efforts in dozens of producing countries. These groups are beginning to influence the policies of governments as well as regional and international institutions (e.g. African Union, World Bank), but have been slow to pivot from an exclusive focus on revenue transparency to broader issues of government accountability, particularly around public spending and service delivery. The field also includes international technical assistance providers like the International Senior Lawyers Project (ISLP) as well as newer localized sources of expertise such as the Africa Center on Economic Transformation (ACET) in Ghana, which are advising countries from Liberia to Mongolia on contract renegotiations and the development of legal and fiscal frameworks that can help maximize producing county revenues and local beneficiation.

EITI—which now includes 37 countries—remains a central pole within the field for eliciting increasingly detailed information on extractive revenues in producing countries, stimulating new government reforms, and providing a concrete platform for direct civil society engagement with government and industry on natural resource governance more broadly. That said, much work

needs to be done around uptake and use of EITI information to promote real accountability. OGP has breathed new life into EITI adoption, particularly amongst two long-time laggards, the U.S. and the UK. African regional institutions—especially in the Gulf of Guinea—have begun to take a stronger interest in helping countries get a better deal for their resources and prevent a race to the bottom on economic, social and environmental standards, for example through the ECOWAS Mining Sector Directive.

For 2014-2017 MPI strengthen the field by providing substantial grants to a set of pillar organizations that play an essential role in building civil society capacity, providing technical assistance to governments and parliaments, conducting hard-hitting investigative research on natural resource corruption and undertaking policy advocacy at the international, regional and local levels. **Priorities include:**

- **The Revenue Watch Institute**, which is undergoing an impressive re-structuring under Daniel Kaufmann’s leadership, and is widely viewed as the most trusted source of policy expertise, capacity-building and technical assistance on natural resource governance amongst producing countries, civil society and industry. MPI will work closely with RWI to ensure a successful merger with the Natural Resource Charter, including an overhaul of the new organization’s governance and staffing structures, the development of a more ambitious five-year growth strategy and an aggressive fundraising effort to double RWI’s annual budget.
- **Global Witness**, which plays a highly effective “bad cop” role in raising the costs of extractive sector corruption for governments and companies through investigating abuses and bringing them to the attention of law enforcement and global media. Recent efforts to diversify funding and beef up internal investigative capacity promise to strengthen both organizational health and institutional effectiveness.
- **PWYP international**, which MPI will work with to either transfer host organizations from OSF to another member, or become an independent entity in 2014. MPI will work with the coordinator Marinke van Riet to improve relationships with INGO colleagues and build her management capacity, and will also work with the nascent Steering Committee to create an effective oversight structure for the coordinator.

Other potential grantees include **international technical assistance providers** such as the International Senior Lawyers Project (ISLP), as well as **African-based/focused technical assistance organizations** that seek to cultivate indigenous sources of legal and economic expertise around natural resource governance such as the African Center for Economic Transformation (ACET).

MPI will work closely with regional and thematic programs and local foundations to provide strategic advice, networking, information-sharing and advocacy support for their natural resource governance activities, including AfRO and the Africa regional foundations, the Latin America Program, the Central Eurasia Program, the Burma Project, the Southeast Asia Program and the MENA Program. This includes identifying ways to broaden the domestic base of governance activism beyond the usual NGO suspects to include new allies and partners. MPI will work closely

with the Information Program to help RWI and Global Witness build the skills and capabilities necessary to more effectively use and disseminate their data. MPI will work with Ida le Duc on diversifying funding sources for the field overall, with a special emphasis on bringing in new high net worth individuals. Finally, **MPI will provide a few fellowships each year** to support practical research on learning and impact in the field (e.g. Diarmid O’Sullivan’s recent fellowship on the impact of EITI) and/or longer-form investigative work on controversial topics that can influence public policy/debate (e.g. a report exploring the role of accountants, lawyers and PR firms in facilitating kleptocracy from resource-rich countries).

From: 4-Concepts and Initiatives

Globalizing a Legal Norm of Extractive Transparency and Ensuring Implementation

This initiative will focus on achieving OSF’s longstanding goal of a global legal norm around the disclosure of extractive sector payments, contracts and beneficial ownership for all companies operating in the oil, gas and mining sector. Over the past decade, OSF and the PWYP coalition have played a central role in galvanizing political support for transparency in the extractive industries, including the adoption of new mandatory disclosure regulations in key jurisdictions such as the US and EU. Combined with significant forthcoming G8 commitments in 2013 to extractive sector transparency under UK leadership, and possible additional commitments within the G20 in 2014 under Australia’s chairmanship, this momentum provides a time-sensitive opportunity to achieve mandatory disclosure regulations in other key markets such as Canada, Australia, Norway, and possibly Japan. The merger between the Natural Resource Charter and the Revenue Watch Institute provides an opportunity to ramp up support for civil society to use these new disclosures for more effective evidence-based advocacy, to pressure G8/G20 governments on implementation, and to support resource-rich governments in using new payment and contract disclosures to interrogate the competitiveness of their current legal and fiscal frameworks.

Despite this momentum, important challenges and risks remain. The SEC has indicated that they will not invest substantial effort in enforcing Cardin-Lugar, and the same may be true for the EU, which places special onus on independent organizations to comb through company disclosures and ensure that laggards are brought to light and made to comply. Right now there is no standardized format for disclosures between the US and EU rules, which could create real accessibility and enforcement challenges if not remedied. And while certain countries like Liberia and Guinea have been willing to mandate contract transparency as a condition of doing business in their country (thanks especially to the role of RWI and ISLP), not all producing countries share the same levels of courage and commitment and will require intensive internal and external advocacy to be compelled.

MPI’s objectives and vision of success for this initiative are the following:

1. For all key jurisdictions where there are currently no regulations around extractive payment and/or contract transparency for companies, convince the relevant

- governments to pass them (Canada, Norway, Australia and Japan on both revenue and contracts, US and EU on contracts)
2. For jurisdictions such as the US and EU where regulation around extractive payment transparency already exists, ensure that they are harmonized, implemented and enforced
 3. Ensure that new extractive payment and contract information are disclosed in open data format to ensure usability and comparability for oversight actors
 4. Ensure that local oversight actors (civil society, media, parliaments) and producing country governments have the skills and capabilities to understand and use new disclosures to promote greater accountability and economic development
 5. Convince a representative sub-set of resource-rich countries to make revenue and contract and beneficial ownership transparency a condition of extractive investment by multinational/domestic companies, possibly by developing a caucus of willing leaders within OGP

MPI will use these objectives as direct measures of its progress over 2014-2017, collecting information from its grantees, allies, internal OSF partners and through its own independent research to benchmark success. It will likely commission independent research around the current and potential uses of new extractive disclosures by local oversight actors and governments, and feed this information into its ongoing strategy.

For 2014-2017, MPI will use grant making and direct advocacy to accomplish these objectives:

- MPI will work with advocacy offices in DC and Europe, RWI, ONE, PWYP and Global Witness to continue providing **advocacy support around the adoption, harmonization and implementation of mandatory disclosure regulation**, drawing on senior leadership as appropriate.
- MPI will work with regional programs and OSF's local foundations, along with groups like RWI, PWYP and Global Witness, to develop **more aggressive and targeted grant making strategies for civil society capacity-building and engagement around newly disclosed data**
- MPI will work with the information program and their grantees to help international and local civil society to think through **new tech tools and strategies to maximize the local utility of disclosures**
- MPI will continue to provide grant support RWI, PWYP and Global Witness, and will rely on RWI to redistribute resources to local PWYP coalitions accordingly. MPI will also consider **small grants for policy research, convening and public-facing pressure campaigns** to reinforce advocacy

Reducing the Misuse of Public Resources for Political Finance (Exploratory Work)

The widespread misuse of public resources for electoral purposes is perhaps the most oft-raised and under-addressed governance challenge for emerging and emerged democracies alike. Public resources are regularly looted to finance incumbents' political campaigns, and private political donations are commonly exchanged for government contracts and other forms of advantage that divert taxpayer money from essential public goods. There is a **remarkable absence of disclosure**

or regulation around political party and candidate financing from Africa to Western Europe; and where transparency and laws do exist, they are typically not implemented. As the cost of elections around the world reaches historic levels, the constant demand for additional funds makes this lack of transparency, regulation and enforcement increasingly destructive. The highly developed political debate and sophisticated landscape of civil society activism around political finance transparency and reform in the US has no parallel in the international domain.³ There are a modest number of disconnected country level groups doing their best to investigate and track political finance corruption in the absence of global norms, networks or support. Likewise, reform-minded government auditors and legislators in countries like Morocco and the Philippines are isolated from global trends and best practices, and “traditional” sources of support like NDI, the World Bank, International IDEA and bilateral donors are too politically constrained and conflicted to engage.

6-Other Significant Collaborations

Transparency and Accountability Initiative Donor Collaborative (TAI)

MPI will support TAI--which OSF helped co-found (along with Hewlett, DFID, Omidyar and Ford) and currently hosts at our London office—both operationally and financially. TAI has pivoted from seeding major policy initiatives like OGP to developing new tools, networks and partnerships around impact and learning within the public resource governance field. MPI will use TAI’s new community of practice to engage with and learn from other donors, academics and practitioners, potentially develop new research and learning partnerships (e.g. OGP impact tracking with Omidyar and Hewlett) and cultivate new sources of donor support for MPI priorities.

Open Government Partnership (OGP)

MPI will provide moderate grant support to the OGP Support Unit and OGP Civil Society Coordinator, as well as provide strategic advice and undertake advocacy through its seat on the OGP Steering Committee, which it shares on behalf of the Transparency and Accountability Initiative. OGP has created valuable opportunities for civil society and government reformers to drive forward new initiatives, from **compelling the US and soon the UK to finally sign on as EITI implementers**, to introducing new subnational participatory budget and social auditing processes in the Philippines and Indonesia, to publicly-sourcing political finance reforms in Estonia. MPI’s primary goals for OGP over 2014-2017 are to strengthen its organizational and financial health—particularly through increased government funding—and ensure that the Independent Reporting Mechanism becomes a credible tool to hold governments publicly accountable for both positive and negative performance.

Global “Follow the Money” Fund

³ With the possible exceptions of South Africa and the UK.

MPI is currently exploring the creation of a new challenge fund with DFID, Omidyar and USAID to **support civil society monitoring work on natural resources**, budgets and service delivery. MPI will work with the founding donors to stimulate additional contributions from G8 governments and industry, with the goal of achieving \$50-\$100 million in new resources for the field over the next 4 years.

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