

Funding the Future

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I can do little better than quote extensively from the EU's own press release on the EU Parliament's decision on country-by-country reporting, [which said](#):

Large extractive companies dealing with oil, gas and minerals would be obliged to disclose full information on their payments to national governments, on a country-by-country and project-by-project basis, according to a negotiation mandate approved on Tuesday by the Committee on Legal Affairs.

The committee approved, in two separate votes, a package of proposals imposing on large companies extracting oil, gas and minerals and loggers of primary forests a new obligation to provide full details on their payments to national governments. It also endorsed changes to existing EU accounting legislation aimed at reducing bureaucracy for smaller EU firms.

This was not without opposition:

Arlene McCarthy (S&D, UK), responsible for one of the two approved pieces of legislation, said: "I'm pleased the committee has overwhelmingly backed my compromises for a strong law on transparency and disclosure for the extractive industries. The vote is a clear rejection of the 27 member states' weak proposals for disclosure of country-by-country payments and reporting in the extractive industries. We have not given in to the pressure of industry and government lobbying for a weak transparency regime".

Which is fantastic because as the press release also notes:

The new rules proposed by the committee, to be agreed with the 27 national governments, would delete from the Commission proposal an article exempting companies from respecting information requirements forbidden in the host country.

Information disclosure would be on a country-by-country basis and indicate the financial resources allocated to each project. "Project-level disclosure is the only way in which local communities in resource-rich countries are able to expose corruption and hold their governments accountable for using revenues towards development", McCarthy

added.

But perhaps the best news was in the tail:

The committee also proposes to extend country-by-country information requirements to the banking, telecoms and construction sectors. The new rules would entail stricter sanctions for firms that fail to respect the new information requirements. The mandate was approved unanimously. Committee members will soon enter into negotiations with Council on all the issues covered by the draft legislation.

It's nine years and 11 months since I first came up with the idea of country-by-country reporting.