As Tullow breaks ranks with big oil, gas, and mining companies to disclose its earnings and payments on country-by-country and project-by-project basis, Public Agenda's Editor, Dr Steve Manteaw, who played a crucial role in the advocacy for the passage of the EU transparency legislation, joins industry watchers in asking: What new grounds will the big players cite for their resistance? The week has seen a flurry of acknowledgment and commendations for Tullow Oil for its voluntary disclosure of all its earnings and material payments to its host governments in 22 countries in 2013.

Tullow reports that in 2013 alone it paid as much as $1.5 billion to its host governments, which include countries where it was directly engaged in explora¬tion and production, and those where it only held proxy interests.

The company said it paid the Government of Ghana $107 million in income taxes alone in 2013, and 812,000 barrels of oil for its royalty liabilities to the government, valued at $85 million. Thus, in total Tullow paid $192 million to the Ghanaian government in 2013.

If Kosmos, Anadarko, GNPC and the other Jubilee partners were to make similar disclosures it will no doubt provide Ghanaians with the opportunity of being able to verify budgetary information on petroleum receipts during the reporting year. The fact that the data is broken down by payment type (taxes, royalties, etc.) for each of Tullow's projects in countries where it is physically and indirectly present is even more exciting to industry watchers especially revenue transparency advocates, including the Publish What You Pay campaign, the Tax Justice movement, and the Extractive Industries Transparency Initiative.

Set against the backdrop that EU oil and mining industry giants, including Shell, have argued that it was practically difficult and commercially disadvantageous to require them to make full disclosure of payments they make to their host governments on country-by-country and project-by-project basis, the Tullow disclosure can be said to have exposed the dishonesty of these giants.

The Revenue Watch Institute's Alexandra Gillies in a March 25 blog said: "It is unlikely, that such reporting will undermine Tullow's commercial viability. Rather, the company has 'shown that detailed reporting is feasible for oil companies, and it debunks some of the alarmist claims others have used to avoid this kind of transparency".

Publish What You Pay (the global extractive revenue transparency movement), the Financial Times of London, Oxfam America, and many other interest groups have welcome Tullow's disclosures, pointing out that it is exactly the type of transparency that many oil companies have been and remain opposed to on grounds of commercial sensitivity.

The US government set the pace by passing the Dodd Frank provision (section 1504) of the Wall Street Reforms Act, requiring country-by-country and project-by-project reporting of companies that are listed on the US stock exchange. But the oil industry lobby, the American Petroleum Institute, sued the US Securities and Exchange Commission in an apparent bid to stall the implementation of the regulations.

Even as the EU considered similar legislation in 2012, the API members maneuvered behind the scenes to water down this reporting requirement. The Convener of the Ghana Chapter of PWYP and immediate past Chairman of the group's Africa Steering Committee, Dr Steve Mantcaw says: "My encounter with the oil industry lobby during my appearance before the Legal Affairs Committee of the EU Parliament to ramp up support for the new EU legislation revealed a well orchestrated plot underpinned by deceit and deliberate misinformation by big industry players to get the EU legislators on the side of industry".

Despite these efforts, in 2013, the EU decided to require project-level reporting by Oil and mining companies, and EU member states are now putting in place national laws that incorporate this new standard. Tullow's report is particularly useful for citizens of countries where there is little or no opportunity to access such information in order to hold governments to account for these revenues. For instance, it provides information on payments to the government of Equatorial Guinea and Gabon, both of which have been de-listed from the league of EITI implementing countries following their lack of progress in disclosing extractive sector revenue data to their citizens.

Tullow holds shares in-producing assets in both, and says it paid $214 million to Equatorial Guinea and $227 million to Gabon in 2013. It further dis-aggregates the figures from two projects in Equatorial Guinea and ten in Gabon and in the process equips citizens of these countries with information on their countries' fiscal regimes and which encourages them to ask more informed questions of their governments. For instance, Tullow reports that Gabon's government received in-kind revenues from Tullow for about half of the projects, and the license-by-license data on these transfers would allow observers to value the crude more accurately since its quality varies from field to field.

The information published in Tullows annual reports for 2012 and 2013 helps to tailor citizens' expectations to the reality of developments in the industry. Though there is a widely held view that oil revenues have a strong transformative potential, exploration stage through to the project development and initial production phase can be rather modest and therefore have insignificant impact on the national budget. Country-by-Country and Project-by-Project reporting such as contained in Tullow's report can therefore have a sobering effect and help tone down wild expectations. This is true in the case of Uganda and Kenya which received just $23 million and $22 million respectively from Tullow during the reporting year.

Source: Public Agenda