



# **The 2013 Resource Governance Index: A measure of transparency and accountability in the oil, gas and mining sector**

Matthew Genasci

Head, Legal and Economics

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# What the Index measures

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- The RGI evaluates the transparency and accountability of the oil, gas and mining sector in 58 countries.
  - It measures the disclosure of information about natural resources through official sources, primarily government websites, and the sector's legal setting and integrity safeguards.
- It also measures the governance of:
  - State-owned companies in 45 countries
  - Natural resource funds in 23 countries
  - Subnational transfer mechanisms in 30 countries

# Countries covered

Minerals	
Afghanistan	Papua New Guinea
Botswana	Peru
Chile	Philippines
D.R.C.	Sierra Leone
Ghana	South Africa
Guinea	Tanzania
Liberia	Western Australia
Mongolia	Zambia
Morocco	Zimbabwe

Hydrocarbons				
Algeria	Canada (Alberta)	Indonesia	Mozambique	Timor-Leste
Angola	China	Iran	Myanmar	Trinidad & Tobago
Azerbaijan	Colombia	Iraq	Nigeria	Turkmenistan
Bahrain	Ecuador	Kazakhstan	Norway	United Kingdom
Bolivia	Egypt	Kuwait	Qatar	U.S. (Gulf of Mexico)
Brazil	Equatorial Guinea	Libya	Russia	Venezuela
Cambodia	Gabon	Malaysia	Saudi Arabia	Vietnam
Cameroon	India	Mexico	South Sudan	Yemen

# How the Index measures resource governance

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- For each of the 58 countries included in the Index, expert researchers gathered primary information to answer a standard questionnaire, which was vetted by a peer reviewer and fact-checked by RWI staff.
- The RGI assesses data published between 2008 and 2012
- The research was conducted between Jan-Oct 2012.

# How the Index is built

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Questions were then clustered into indicators and grouped under a specific area of governance:

- 1. Institutional and Legal Setting:** the degree to which the laws, regulations and institutional arrangements facilitate transparency, accountability and open/fair competition.
- 2. Reporting Practices:** the disclosure of information by government agencies about the extractive sector operations and payments.
- 3. Safeguards and Quality Controls:** the presence and quality of checks and oversight mechanisms that encourage integrity and guard against conflicts of interest.
- 4. Enabling Environment:** the broader governance environment, based on more than 30 external measures of accountability, government effectiveness, rule of law, corruption and democracy.

# Index structure

Institutional & Legal Setting (20%)		Reporting Practices (40%)		Safeguards & Quality Controls (20%)		Enabling Environment (20%)	
10 Indicators		20 Indicators		15 indicators		5 Indicators	
<i>Indicator</i>		<i>Indicator</i>		<i>Indicator</i>		<i>Indicator</i>	
1	Freedom of information law	1	Licensing process	1	Checks on licensing process	1	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)
2	Comprehensive sector legislation	2	Contracts	2	Checks on budgetary process	2	Open Budget (IBP Index)
3	EITI participation	3	Environmental and social impact assessments	3	Quality of government reports	3	Government effectiveness (WGI)
4	Independent licensing process	4	Exploration data	4	Government disclosure of conflicts of interest	4	Rule of law (WGI)
5	Environmental and social impact assessments required	5	Production volumes	5	Quality of SOC reports	5	Corruption (TI Corruption Perceptions Index & WGI control of corruption)
6	Clarity in revenue collection	6	Production value	6	SOC reports audited		
7	Comprehensive public sector balance	7	Primary sources of revenue	7	SOC use of international accounting standards		
8	SOC financial reports required	8	Secondary sources of revenue	8	SOC disclosure of conflicts of interest		
9	Fund rules defined in law	9	Subsidies	9	Quality of Fund reports		
10	Subnational transfer rules defined in law	10	Operating company names	10	Fund reports audited		
		11	Comprehensive SOC reports	11	Checks on Fund spending		
		12	SOC production data	12	Government follows Fund rules		
		13	SOC revenue data	13	Fund disclosure of conflicts of interest		
		14	SOC quasi fiscal activities	14	Quality of subnational transfer reports		
		15	SOC board of directors	15	Government follows subnational transfer rules		
		16	Comprehensive Fund reports				
		17	Fund rules				
		18	Comprehensive subnational transfer reports				
		19	Subnational transfer rules				
		20	Subnational reporting of transfers				

# Why the Index matters

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- The 58 countries assessed in the Index produce more than 85 percent of the world's petroleum, 90 percent of diamonds and 80 percent of copper.
- Profits from these resources totaled over \$2.6 trillion in 2010. In 41 of these countries, the extractive sector contributed a third of GDP and half of total exports on average.
- The future of these countries depends on how well they manage their oil, gas and minerals.

# Objectives of the RGI

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- Provide detailed, country-specific, comparative information that can serve as a diagnostic tool and a guide for reform for policy makers, governments and CSOs.
- Enable a dialogue across actors in the extractive sector to improve natural resource governance with an evidence-based approach.
- Raise global attention to the priority concerns of transparency and accountability in the extractive sector

# RGI products

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- On the index website:
  - An interactive tool for comparing and visualizing data on resource governance
  - 58 detailed country questionnaires with sources available
  - 58 printable country pages with:
    - Specific country findings
    - Country results with indicators and ranks
    - Relevant economic and extractive sector statistics
    - A full database of new indicators for 58 countries
- Plus a printed report summarizing main findings
- 5 regional factsheets

Rank (out of 58)		Score (out of 100)
45	<b>COMPOSITE SCORE</b>	38
37	<b>Institutional and Legal Setting</b>	57
	Freedom of information law	0
	Comprehensive sector legislation	100
	EITI participation	0
	Independent licensing process	83
	Environmental and social impact assessments required	100
	Clarity in revenue collection	50
	Comprehensive public sector balance	33
	SOC financial reports required	100
	Fund rules defined in law	0
	Subnational transfer rules defined in law	100
38	<b>Reporting Practices</b>	41
	Licensing process	67
	Contracts	0
	Environmental and social impact assessments	33
	Exploration data	50
	Production volumes	67
	Production value	67
	Primary sources of revenue	0
	Secondary sources of revenue	0
	Subsidies	0
	Operating company names	100
	Comprehensive SOC reports	33
	SOC production data	71
	SOC revenue data	44
	SOC quasi fiscal activities	17
	SOC board of directors	100
	Fund rules	0

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	0
	Subnational transfer rules	0
	Comprehensive subnational transfer reports	67
	Subnational reporting of transfers	100
51	<b>Safeguards and Quality Controls</b>	28
	Checks on licensing process	11
	Checks on budgetary process	67
	Quality of government reports	50
	Government disclosure of conflicts of interest	0
	Quality of SOC reports	50
	SOC reports audited	78
	SOC use of international accounting standards	0
	SOC disclosure of conflicts of interest	0
	Quality of fund reports	0
	Fund reports audited	50
	Government follows fund rules	0
	Checks on fund spending	0
	Fund disclosure of conflicts of interest	0
	Quality of subnational transfer reports	50
	Government follows subnational transfer rules	67
39	<b>Enabling Environment</b>	26
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	39
	Open Budget (IBP Index)	6
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	22
	Government effectiveness (WGI)	34
	Rule of law (WGI)	27

■ Satisfactory    ■ Weak  
■ Partial        ■ Failing