



Eurasia's resource-rich countries lack public oversight of oil and mining revenues

NEW YORK, May 15, 2013 – Citizens of Eurasia and South Asia's major oil and mineral producers have little or no access to information on their governments' resource revenues, according to an index released today by the Revenue Watch Institute.

[Revenue Watch's Resource Governance Index](#) measures the quality of governance in the oil, gas and mining sector of 58 countries worldwide, including six in Eurasia and South Asia. Each country on the *Index*, from top-ranked Norway to last-place Myanmar, is judged on four criteria: legal framework, transparency levels, checks and balances and its broader governance context.

[Azerbaijan](#), [Kazakhstan](#), [Russia](#) and [Turkmenistan](#) rely on oil and gas revenues for at least a quarter of their budgets, and in [India](#) and [Afghanistan](#) the extractive sector has grown dramatically in recent years, yet no country in the region earned a satisfactory score on resource governance.

In Eurasia and South Asia, India was the top performer, reflecting satisfactory reporting practices and good government oversight. However, the government is not required by law to publish contracts with oil and gas companies, creating opportunities for corruption.

Kazakhstan, Russia and Azerbaijan landed in the middle, exhibiting some good practices such as requiring audits of oil revenues, but the lack of effective, accountable governments undermined their overall performance. In Azerbaijan, a mediocre performer at best, withdrawals from the state oil fund are not bound by legislation, creating the potential for mismanagement of money meant for future generations.

Afghanistan and Turkmenistan earned failing scores. Turkmenistan's authoritarian government makes certain there is a complete lack of public oversight of its natural gas industry; the country ranked near-last on all measurements of resource governance. Despite a poor overall score, Afghanistan received high marks for its ongoing efforts to pass comprehensive mining legislation.

"The *Index* research reveals a governance deficit in how transparent and accountable countries are with their natural resources," said Daniel Kaufmann, president of Revenue Watch. "But by pointing to reforming states and to solutions, we reject the tired notion of the deterministic 'resource curse'," Kaufmann added.

The *Index* offers recommendations for highly ranked countries like Brazil and for low-ranking countries like Qatar. In Eurasia and South Asia, most countries could improve public oversight of the oil, gas and mining sector by passing freedom of information laws and requiring companies and government agencies to publish contracts, along with production and revenue data. State-owned companies and natural resource funds often operate without strict legal guidelines or government

monitoring. A tighter legislative framework and greater public oversight could help ensure the region's resources generate long-term benefits for citizens.

“The *Index* not only shows where we are now, but points out ways forward for countries, companies and global initiatives, and this matters because improved governance in natural resources is arguably *the* development challenge of this decade,” Kaufmann said.

For more details on the Index data and the report, visit www.revenuewatch.org/rgi.

Note: As with any governance data, this Index is subject to margins of error and therefore caution in interpretation and comparisons apply. Further, in its measure of governance, the Index focuses on transparency, integrity and accountability rather than other performance indicators related to extractive efficiency or optimization of revenues.

###

Revenue Watch promotes the transparent and accountable management of oil, gas and mineral resources for the public good. www.revenuewatch.org | [@revenuewatch](https://twitter.com/revenuewatch) | www.facebook.com/revwatch

Contacts: Carolyn Bielfeldt | phone: +1 212.547.6961 | m: +1 646.236.5844 | cbielfeldt@revenuewatch.org