



In Latin America, resource-dependent countries are the least transparent

LIMA , May 15, 2013 – In Latin America, the countries that depend most on oil and mining have the least public oversight of their natural resources, according to a new index released today.

[Revenue Watch's Resource Governance Index](#) measures the quality of governance in the oil, gas and mining sector of 58 countries worldwide. Each country on the *Index* is ranked according to four criteria: legal framework, transparency levels, checks and balances, and its broader governance context.

Brazil and Mexico, whose economies are relatively diverse, have the most transparent management of their natural resources. In contrast, Venezuela and Bolivia, which relied on oil and minerals for 96 percent and 78 percent of 2010 exports, received the region's lowest governance scores.

“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.

[Brazil](#), [Mexico](#), [Chile](#), [Colombia](#), [Trinidad and Tobago](#), and [Peru](#) earned satisfactory scores. Most governments provide useful data on the oil and mining industry, although Peru is the only nation to publish contracts with mining companies. Brazil and Colombia have extensive audit requirements and anti-corruption policies; after Norway, they earned the highest global scores for oversight of the oil and mining industry.

On the other hand, [Ecuador](#), [Venezuela](#) and [Bolivia](#) still have gaps in resource governance. State-owned oil and mining companies dominate the industry, but Bolivia and Ecuador do not publish audit reports, and none of the nations have a truly competitive licensing process. Although Bolivia ranked last in the region, the nation has made important progress by passing detailed laws governing its growing oil industry.

The *Index* offers recommendations for both highly ranked countries like Norway and for low-ranking countries like Afghanistan. In Latin America, governments should publish oil and mining contracts and follow Peru's lead in joining the Extractive Industries Transparency Initiative. Citizens should also pressure companies to disclose project-by-project data, which helps affected communities demand a fair share of earnings from local extraction. With the exception of Chile, every Latin America country performed worst on measures of overall government effectiveness and accountability, suggesting that resource governance reforms should be a first step toward earning the public's trust.

“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.revenuwatch.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.revenuwatch.org | [@revenuwatch](https://twitter.com/revenuwatch) | www.facebook.com/revwatch

Contacts: Carlos Monge (Peru) | phone: +511 613 8314 | cmonge@revenuwatch.org
Carolyn Bielfeldt | phone: +1 212 547 6961 | m: +1 646 236 5844 | cbielfeldt@revenuwatch.org