# Resource-rich African countries fall short on governance, despite laws designed to promote transparency

**ACCRA, May 15, 2013** – Many African nations have laws designed to promote accountability in the oil and mining sector, but nevertheless suffer from troubling gaps in natural resource governance, 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*, 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.

In sub-Saharan Africa, researchers surveyed 17 countries, many which are highly dependent on natural resources. In Gabon, Nigeria, and Zambia, for example, oil, gas and minerals made up more than 80 percent of exports in 2010. Angola, Equatorial Guinea, Nigeria and South Sudan rely on oil revenues for more than two-thirds of their budgets. Yet no country in the region earned a satisfactory score for resource governance.

"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.

Ghana, Liberia, Zambia and South Africa earned the region's highest scores. Strong oil and mining laws help guarantee a competitive licensing process. Along with Tanzania, they have anti-corruption policies and emerging audit systems.

In 11 of the 17 African countries, good governance policies exist but are not practiced. For example, Guinea and Angola received low overall rankings despite detailed oil laws. Few African governments provide the detailed data citizens need to track their country's earnings. Countries such as Botswana, Gabon, Sierra Leone and Nigeria do not publish contract terms or full data on production and revenues.

The DRC, Mozambique, Cameroon, South Sudan, Zimbabwe and Equatorial Guinea do not have effective monitoring, and lawmakers rarely review resource revenues. In Botswana, Equatorial Guinea and Guinea, individual government officials have considerable authority over licensing decisions, undermining competition and creating opportunities for corruption.

The *Index* offers recommendations for both highly ranked countries like Brazil and for low-ranking countries like Afghanistan. In sub-Saharan Africa, researchers stressed the need to pass and enforce freedom of information laws and require companies and government agencies to disclose detailed information on the oil and mining industries—an essential first step toward public accountability.

State-owned companies, which often control much of their nation's resources are particularly opaque; they should be required to publish regular audited reports.

"The Index analysis 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.*

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**Contacts:** Emmanuel Kuyole (Ghana) | phone: +233 302 242 345 | ekuyole@revenuewatch.org
Carolyn Bielfeldt | phone: +1 212 547 6961 | m: +1 646 236 5844 | cbielfeldt@revenuewatch.org