

## Norway

The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. Learn more and explore findings at [www.revenuewatch.org/rgi](http://www.revenuewatch.org/rgi).

### Background

Norway is one of the world's major oil and gas exporters; the extractive industries as a whole accounted for 74 percent of exports and 30 percent of government revenues in 2011. The state regulates the sector effectively and has created a competitive environment for operating companies, which include Statoil, a

Norway	2000	2005	2011
Population (million)	4.49	4.62	4.95
GDP (constant 2011 international \$ billion)	214.8	344.3	485.8
GDP per capita, PPP (constant 2005 international \$)	43,975	47,626	46,982
Oil and gas revenue (% total government revenue)	...	33%	30%
Extractive exports (% total exports)	70%	74%	74%

SOURCES: Oil and gas revenue as share of total government revenue from the Economist Intelligence Unit and the International Monetary Fund. All other data from the World Bank. Oil and gas revenues 2005 data from 2007.

partially state-owned company, as well as private enterprises.

### Norway's Performance on the RGI

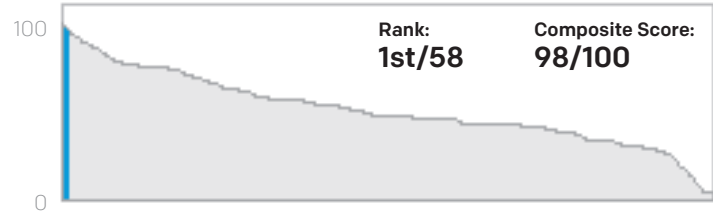
Norway received a "satisfactory" score of 98, ranking 1st out of 58 countries. It performed well on all components.

#### Institutional and Legal Setting

(Rank: 1st/58 Score: 100/100)

Norway earned a perfect score, the result of a legislative framework designed to create long-lasting benefits to society.

The separate roles of the Petroleum and Energy Ministry, the Petroleum Directorate, and Statoil are clearly defined, and the government has clear rules for managing petroleum income. The Finance Ministry ensures that the state receives all payments from oil companies, which are transferred to a natural resource fund. Expenditures are regulated in order to maintain a sustainable budget and save for future generations. All petroleum revenue, including that of state-owned companies, is included in the public sector balance.



A Freedom of Information Law includes extensive disclosure requirements, and relevant petroleum legislation is easy to access. Environmental and social impact assessments are required before extraction can begin. Norway has been a leader of global transparency initiatives and became an Extractive Industries Transparency Initiative compliant country in 2011.

#### Reporting Practices

(Rank: 2nd/58 Score: 97/100)

With thorough public access to information on the oil and gas sector, Norway received a "satisfactory" score of 97.

Comprehensive information on licenses, including locations, operators, and owners, is made public, and fiscal terms are standardized in Norway's petroleum legislation, leaving no discretion to the Petroleum and Energy Ministry. Environmental and social impact assessments are published online.

Government agencies publish comprehensive information on the industry. The Finance Ministry publishes timely statistics on revenue collection, and the Petroleum and Energy Ministry produces public reports for parliament. The Petroleum Directorate provides comprehensive and timely statistics including data on reserves, export values, investment, production costs, field-by-field production volumes, and disaggregated revenues.

#### Safeguards and Quality Controls

(Rank: 1st/58 Score: 98/100)

Norway's "satisfactory" score of 98 is the product of strict audit requirements and effective checks on petroleum licensing and revenue collection.

Petroleum and Energy Ministry officials are not allowed to deviate from licensing policies defined by legislation, and there is a set process for appealing licensing decisions. Parliament oversees all aspects of the petroleum industry, though lawmakers do not review individual licenses or take part in commercial decisions. Government regulators are independent from state-owned companies, and civil servants are required to disclose potential conflicts of interest.

Independent state auditors review national revenues and the results are reported annually to parliament. Several parliamentary committees are specifically charged with reviewing resource revenues.

## Enabling Environment

(Rank: 1st/58 Score: 98/100)

Norway was ranked at the top of global measurements of accountability, democracy, and the rule of law.

## State-Owned Companies

(Rank: 1st/45 Score: 99/100)

Several state-owned companies are active in the extractive industry. The largest is Statoil, which produces 70 percent of all oil and gas from the Norwegian continental shelf. The company is 67 percent state-owned but is subject to commercial regulations and does not participate in policy formulation. As a publicly traded company in Oslo and New York, Statoil must comply with disclosure requirements. It publishes regular au-

dated reports that include comprehensive production data and financial information.

## Natural Resource Funds

(Rank: 1st/23 Score: 100/100)

All government income from petroleum is deposited in the Government Pension Fund Global, previously known as the Petroleum Fund. The fund consists entirely of resource revenues and the return on its investments. At the end of March 2012 it was valued at \$613 billion. The Finance Ministry oversees the fund, with operational management by the central bank. National law clearly defines the rules for deposits, investments, and withdrawals; comprehensive audited reports are published quarterly.

## Norway's Composite, Component and Indicator Scores

Rank (out of 58)		Score (out of 100)
<b>1</b>	<b>COMPOSITE SCORE</b>	<b>98</b>
<b>1</b>	<b>Institutional and Legal Setting</b>	<b>100</b>
	Freedom of information law	100
	Comprehensive sector legislation	100
	EITI participation	100
	Independent licensing process	100
	Environmental and social impact assessments required	100
	Clarity in revenue collection	100
	Comprehensive public sector balance	100
	SOC financial reports required	100
	Fund rules defined in law	100
	Subnational transfer rules defined in law	..
<b>2</b>	<b>Reporting Practices</b>	<b>97</b>
	Licensing process	100
	Contracts	100
	Environmental and social impact assessments	100
	Exploration data	100
	Production volumes	100
	Production value	67
	Primary sources of revenue	100
	Secondary sources of revenue	100
	Subsidies	..
	Operating company names	100
	Comprehensive SOC reports	100
	SOC production data	90
	SOC revenue data	100
	SOC quasi fiscal activities	..
	SOC board of directors	100
	Fund rules	100

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	100
	Subnational transfer rules	..
	Comprehensive subnational transfer reports	..
	Subnational reporting of transfers	..
<b>1</b>	<b>Safeguards and Quality Controls</b>	<b>98</b>
	Checks on licensing process	100
	Checks on budgetary process	100
	Quality of government reports	79
	Government disclosure of conflicts of interest	100
	Quality of SOC reports	100
	SOC reports audited	100
	SOC use of international accounting standards	100
	SOC disclosure of conflicts of interest	..
	Quality of fund reports	100
	Fund reports audited	100
	Government follows fund rules	100
	Checks on fund spending	100
	Fund disclosure of conflicts of interest	100
	Quality of subnational transfer reports	..
	Government follows subnational transfer rules	..
<b>1</b>	<b>Enabling Environment</b>	<b>98</b>
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	97
	Open Budget (IBP Index)	96
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	100
	Government effectiveness (WGI)	96
	Rule of law (WGI)	99

<span style="display:inline-block; width:15px; height:15px; background-color:#92d050; border:1px solid black;"></span> Satisfactory	<span style="display:inline-block; width:15px; height:15px; background-color:#f4a460; border:1px solid black;"></span> Weak
<span style="display:inline-block; width:15px; height:15px; background-color:#ffc107; border:1px solid black;"></span> Partial	<span style="display:inline-block; width:15px; height:15px; background-color:#dc3545; border:1px solid black;"></span> Failing