









RWI Index Questionnaire: Bahrain 2012

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Indicator	Score
4.1.1	Context
4.1.1 Context	

4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A B C

References:

Future Generations Reserve Fund, information based on International Working Group of Sovereign Wealth Funds. There is also one very scant reference in the Ministry of Finance's budget lines.

There is also an independent holding company for non-oil and gas related assets, Bahrain Mumtalakat Holding Company. This fund invests mainly into the local Bahrain economy, ranging from real estate to telecommunications. This fund is not taken into consideration for the RWI index scoring.

<http://www.swfinstitute.org/swfs/mumtalakat-holdings/>

Peer Review Comments:

The Future Generations Reserve Fund was established pursuant to Law No. 28 of 2006 (available in Arabic only at www.legalaffairs.gov.uk). A portion of oil revenues is set aside for the fund.

To quote a summary from the Institutional Forum of Sovereign Wealth Funds on Bahrain for context (<http://www.ifswf.org/members-info.htm#bah>)

The Future Generations Reserve Fund

The Future Generations Reserve Fund (FGF) of Bahrain was established with a Royal Decree issued on July 17, 2006.

Source and purpose of the FGF

The FGF's purpose is to strengthen Bahrain's long-term fiscal management and help preserve the hydrocarbon wealth. The FGF receives, in monthly payments, part of the oil income accruing from higher than budgeted oil prices.

Institutional framework

The FGF is owned by the Government of Bahrain and managed by the Ministry of Finance. Its governance framework includes a Board of Directors and a head of the Investment, Operations, and Administrative team.

Accounting and reporting

The FGF's activities are audited internally by an Audit Directorate, and its financial statements are subject to an external audit by an independent commercial auditor.

Investment and risk management

The FGF invests only in liquid instruments with the aim of preserving its capital. The risk management framework encompasses a range of financial risks, including interest rate, liquidity, currency, and credits risks. As a newly established SWF, the FGF's policies and procedures of operation are still in the process of development.

4.1.1.051: What authority is responsible for the natural resource fund?**Score:** (A) B C D E**References:**

There are no specific codes, but the Future Generations Reserve Fund appears to be managed by the Ministry of Finance.



Peer Review Comments:

The fund is under the control of the Ministry of Finance pursuant to Article 2 of Law No. 28 of 2006 establishing the fund. The fund is managed by board established pursuant to Article 4 of Law No. 28 of 2006.

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Indicator		Score
4.2.1	Comprehensive reports	83 
4.2.2.056	Audited reports	100 

4.2.1 Comprehensive reports

4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B C

References:

<http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>

Peer Review Comments:

Article 1 of Law No. 28 of 2006 establishing the Future Generations Reserve Fund provides that one dollar is deducted from every barrel of oil which is exported for more than \$40 and deposited in the fund. Returns on existing funds are reinvested in the fund (Article 2). Article 1 also states that fund property may not be dealt with except by law. This implies that withdrawals are prohibited unless expressly permitted by legislation (and the relevant legislation does not contain any express provision on withdrawals).

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D E

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 5 of Law No. 28 of 2006 establishing the Future Generations Reserve Fund requires the government to submit annual accounts audited by the National Audit Court to the Chamber of Deputies (the lower house of parliament). The latest accounts approved by parliament (for the year 2010) are available in Arabic only at <http://www.legalaffairs.gov.bh/viewpdf.aspx?ID=OT0312>. These accounts include a detailed list of the fund's investments.

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D E

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

The latest accounts approved by parliament (for the year 2010) are available in Arabic only at <http://www.legalaffairs.gov.bh/viewpdf.aspx?ID=OT0312>. These accounts include explanatory notes on accounting policies and investments.

4.2.1.055: How often are financial reports published by the fund management or authority in charge?

Score: A B C D E

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 5 of Law No. 28 of 2006 establishing the Future Generations Reserve Fund requires the government to submit annual accounts audited by the National Audit Court to the Chamber of Deputies (the lower house of parliament).

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.2.2.056 Audited reports**4.2.2.056a: Are the fund s financial reports audited?**

Score: A B C D E

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 5 of Law No. 28 of 2006 establishing the Future Generations Reserve Fund requires the annual accounts to be audited by the National Audit Court. Article 1 of Law No. 16 of 2002 regarding the National Audit Court provides that the court is an independent public body which reports to the King. Although the court is a state institution, the reviewer took the view that it is "independent" rather than "internal" on the basis that it reports to the King and not the Cabinet or the Prime Minister.

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.2.2.056b: Are the audited financial reports published?

Score: A B C

References:

<http://www.mof.gov.bh/>


Peer Review Comments:

A resolution of parliament approving the annual audited accounts is published in the Official Gazette. The annual audited accounts are annexed to this resolution. For example, see the resolution approving the 2010 audited accounts at <http://www.legalaffairs.gov.bh/viewpdf.aspx?ID=OT0312> (in Arabic only).

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Indicator	Score
4.3.1 Legal Framework and Practice	100 

4.3.1 Legal Framework and Practice

4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B C

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 1 of Law No. 28 of 2006 establishing the Future Generations Reserve Fund provides that one dollar is deducted from every barrel of oil which is exported for more than \$40 and deposited in the fund. Returns on existing funds are reinvested in the fund (Article 2).

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D E

Comments:

D I believe should be the adequate ranking.

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

The reviewer did not find any evidence that the rules governing deposits were not followed. An article in Al Wasat Newspaper dated 4 February 2012 (available in Arabic only at <http://www.alwasatnews.com/3437/news/read/626708/1.html>) summarises the report of the Financial Committee of the Chamber of Deputies regarding the 2010 financial statements of the fund. The article states that the Committee reviewed deposits into the fund for the years 2007 to 2010 and found that deposits were not made in some instances because the price of oil was below the threshold above which deposits are triggered. This appears to be consistent with the law governing the fund.

4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B C

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 1 of Law No. 28 of 2006 establishing the Future Generations Reserve Fund states that fund property may not be dealt with except by law. This implies that withdrawals are prohibited unless expressly permitted by legislation (and the relevant legislation does not contain any express provision on withdrawals).

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: (A) B C D E

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 13 of Law No. 25 of 2008 on the procedures of the board of the Future Generations Reserve Fund states that the financial requirements of the board are to be included in the general budget of the state. An article in Al Wasat Newspaper dated 4 February 2012 (available in Arabic only at <http://www.alwasatnews.com/3437/news/read/626708/1.html>) summarises the report of the Financial Committee of the Chamber of Deputies regarding the 2010 financial statements of the fund. The article states that the fund's general and administrative expenses for the years 2007 to 2010 were not deducted from the fund.

The abovementioned law is available in Arabic only at www.legalaffairs.gov.bh.

4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?

Score: (A) B C

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 13 of Law No. 25 of 2008 on the procedures of the board of the Future Generations Reserve Fund states that the financial requirements of the board are to be included in the general budget of the state. Article 1 of Law No. 28 of 2006 states that fund property may not be dealt with except by law. This implies that withdrawals are prohibited unless expressly permitted by legislation (and the relevant legislation does not contain any express provision on withdrawals).

The abovementioned laws are available in Arabic only at www.legalaffairs.gov.bh.

4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?

Score: (A) B C

References:

<http://www.mof.gov.bh/>

Peer Review Comments:

Article 58(d) of Law No. 36 of 2006 on civil service (available in Arabic only at www.legalaffairs.gov.bh)

prohibits government employees from having an interest in any activity, contract or tender related to his or her position, although there is no requirement to disclose such an interest.

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Indicator	Score
5.1.1	Context
<hr/> 5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?	
Score: A B C (D) E	
Comments: There are no subnational authorities.	
References: http://www.mof.gov.bh/	

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?**Score:** A B **(C)****References:**
not applicable[Download PDF](#)

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Indicator	Score
5.2.1	Disclosure

5.2.1 Disclosure

5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B **C**

References:

not applicable

5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

<http://www.mof.gov.bh/>

5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B C D **E**

References:

<http://www.mof.gov.bh/>

5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

<http://www.mof.gov.bh/>

5.2.1.069: Do sub-national governments publish information on transfers received from central governments?

Score: A B **C**

References:

<http://www.mof.gov.bh/>

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Indicator	Score
5.3.1 Legal Framework and Practice	N/A

5.3.1 Legal Framework and Practice

5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B **C**

References:

<http://www.mof.gov.bh/>

5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D **E**

References:

<http://www.mof.gov.bh/>

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Indicator	Score
1.1	Context
1.1	Context

1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score: A B C D E

References:

Article 11 of the Bahraini Constitution states "All natural wealth and resources are State property. The State shall safeguard them and exploit them properly, while observing the requirements of the security of the State and of the national economy."

Note that Bahrain is heavily dependent on petroleum revenues. According to the CIA World Factbook, "Petroleum production and refining account for more than 60% of Bahrain's export receipts, 70% of government revenues, and 11% of GDP (exclusive of allied industries)." (<https://www.cia.gov/library/publications/the-world-factbook/geos/ba.html>)

Mining is also a major source of revenue. According to the US Geologic Survey, in 2010 "Bahrain accounted for 2.4% of the world's aluminum output...The mining sector, which included the production of natural gas and oil as well as quarrying activity, accounted for about 20.7% of the GDP at current prices." (see 2010 Minerals Yearbook: Bahrain pg. 45.1, <http://minerals.usgs.gov/minerals/pubs/country/2010/myb3-2010-ba.pdf>)

1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=558>

Peer Review Comments:

Historically, the Bahrain Petroleum Company (BAPCO) had a concession for oil exploration and production in Bahrain. In 1975, the government acquired 60% of BAPCO's shares and, in 1980, the government acquired the remaining 40%. In 1975 and 1980 the government also entered into agreements with BAPCO whereby the state took over 60% and 100%, respectively, of BAPCO's oil exploration and production rights and agreed to sell all crude oil to BAPCO. However, the government retained the right to develop new gas fields and take ownership of all gas produced from such fields. These agreements were ratified by and annexed to Law No. 12 of 1975 and Law No. 5 of 1980.

Oil and gas policy is set by the National Oil and Gas Authority (NOGA) pursuant to Law No. 63 of 2005 establishing NOGA and Law No. 10 of 2006 regarding the roles and responsibilities of NOGA. NOGA has a Gas Affairs and Licensing division whose responsibilities include approval of oil exploration and drilling (see <http://www.noga.gov.bh/index.php?page=558>). NOGA has also been the contracting party for production sharing agreements in recent years; e.g. see Law No. 6 of 2009 approving the Exploration

and Production Sharing Agreement between NOGA and Occidental. Thus it is more appropriate to regard NOGA rather than BAPCO as the licensing entity.

All laws cited above are available (in Arabic only) at www.legalaffairs.gov.bh.

1.1.003: What licensing practices does the government commonly follow?

Score: A B C D E

References:

<http://www.bapco.net/default.asp?action=category&id=14>

Peer Review Comments:

In recent years, the government acting through the National Oil and Gas Authority has negotiated directly with companies. See <http://www.noga.gov.bh/index.php?page=548> for a list of recent exploration and production sharing agreements.

1.1.004: What is the fiscal system for mineral resources?

Score: A B C D E

References:

BAPCO website: <http://www.bapco.net/default.asp?action=category&id=104>

Peer Review Comments:

Historically, the Bahrain Petroleum Company (BAPCO) had a concession for oil exploration and production in Bahrain. In 1975, the government acquired 60% of BAPCO's shares and, in 1980, the government acquired the remaining 40%. In 1975 and 1980 the government also entered into agreements with BAPCO whereby the state took over 60% and 100%, respectively, of BAPCO's oil exploration and production rights and agreed to sell all crude oil to BAPCO. However, the government retained the right to develop new gas fields and take ownership of all gas produced from such fields. These agreements were ratified by and annexed to Law No. 12 of 1975 and Law No. 5 of 1980.

In recent years, the government acting through the National Oil and Gas Authority has entered into several production sharing agreements (see <http://www.noga.gov.bh/index.php?page=548>).

All laws cited above are available (in Arabic only) at www.legalaffairs.gov.bh.

1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: A B C D E

Comments:

The National Oil and Gas Authority (NOGA) is the Government agency that is responsible for making policy, issuing regulations, and controlling the use of Bahrain's hydrocarbon resources.

References:

See the website of the National Oil and Gas Authority, <http://www.noga.gov.bh/index.php?page=513> also see the industry description of the US Geological Survey: <http://minerals.usgs.gov/minerals/pubs/country/2010/myb3-2010-ba.pdf>, also see

Peer Review Comments:

NOGA's authority is set out in Law No. 10 of 2006 regarding the roles and responsibilities of NOGA. This law is available (in Arabic only) at www.legalaffairs.gov.bh.

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Indicator	Score
1.2.006 Information on licensing process	33 
1.2 Contract transparency	33 
1.2.008 Environmental and social impact assessments	25 
1.2 Access to information and legislation	17 

1.2.006 Information on licensing process

1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B C D E

References:

<http://www.bapco.net/default.asp?action=category&id=14>

Peer Review Comments:

Government procurement is done through a procurement process overseen by the Tender Board pursuant to Law No. 36 of 2002 regarding the organisation of government tenders and purchases (available in Arabic only at <http://www.tenderboard.gov.bh/DynamicPages/Laws.aspx?Type=Law>). Details on tenders are published on the Tender Board's website (www.tenderboard.gov.bh), but the information provided is sometimes very limited. The Tender Board also has the power pursuant to Article 4 of Law No 36 of 2002 to authorise procurement by direct agreement with a single supplier. The tender process has been used for oil and gas projects, for example in relation to an exploration and production sharing contract for deep gas (see <http://www.tenderboard.gov.bh/Tendering/Reports/OpenedTendersReport.aspx?TenderID=219128>) and a strategic partnership for an LNG terminal (see <http://www.tenderboard.gov.bh/Tendering/Reports/OpenedTendersReport.aspx?TenderID=221718>). However, as is evident from the links cited, very little information is available regarding these tenders and the selection process. In addition, several production sharing agreements entered into in 2008 and 2009 (see <http://www.noga.gov.bh/index.php?page=548>) do not appear to have been subject to a tender.

1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B C D E

References:

<http://www.bapco.net/default.asp?action=category&id=14>

Peer Review Comments:

The government publishes only limited information. See for example EPSA descriptions at <http://www.noga.gov.bh/index.php?page=548>

1.2 Contract transparency

1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?

Score: A B **C** D E

References:

<http://www.bapco.net/default.asp?action=category&id=14>

Peer Review Comments:

In recent years, contracts that require legislative approval have been annexed to legislation. Such legislation is usually published in the Official Gazette and made available on a government website (www.legalaffairs.gov.bh). For example, see Law No. 24 of 2009 approving the Development and Production Sharing Agreement with Occidental and Mubadala (<http://www.legalaffairs.gov.bh/viewpdf.aspx?ID=K2409>) and Law No. 6 of 2009 approving the Exploration and Production Sharing Agreement and Occidental (<http://www.legalaffairs.gov.bh/viewpdf.aspx?ID=K0609>). These laws are available in Arabic only at www.legalaffairs.gov.bh.

1.2.008 Environmental and social impact assessments

1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?

Score: **A** B C

References:

BAPCO website, <http://www.bapco.net/default.asp?action=category&id=27>

Peer Review Comments:

All non-residential projects require clearance from the Public Commission for the Protection of Marine Resources, Environment and Wildlife (Article 1 of Housing Ministerial Order No. 1 of 1998 on environmental assessment for projects). Information about the project must be submitted to the commission which then decides whether an environmental impact assessment is required. An environmental impact assessment is mandatory for projects with the capacity to cause changes in the quality of the environment; these include projects that "exploit scarce natural resources".

The order mentioned above is available in Arabic only at www.legalaffairs.gov.bh. However see commentary at <http://www.tandfonline.com/doi/pdf/10.3152/146155108X333271>.

1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?

Score: A B C **D** E

References:

<http://www.noga.gov.bh/index.php?page=518>

Peer Review Comments:

The Public Commission for the Protection of Marine Resources, Environment and Wildlife is required to keep a register of all environmental impact assessment (EIA) reports it receives (Article 19 of Housing Ministerial Order No. 1 of 1998 on environmental assessment for projects). It is unclear if this register or the reports are available to the public. The register and reports are not published on the commission's website (www.pmew.gov.bh). One article states that "at the early stages of EIA application for major industrial projects in Bahrain, there was no public participation. However, due to increasing environmental awareness, public interest in EIA has increased with time. Currently, invitations are sent to nongovernmental societies to discuss environmental implications of major projects, and summaries for major industrial projects are published in local media" (see <http://www.tandfonline.com/doi/pdf/10.3152/146155108X333271>).

The order mentioned above is available in Arabic only at www.legalaffairs.gov.bh.

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?

Score: A B C

References:

<http://www.bapco.net/default.asp?action=category&id=27>

1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?

Score: A B C D E

References:

<http://www.bapco.net/default.asp?action=category&id=27>

1.2 Access to information and legislation

1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?

Score: A B C D E

Comments:

No Petroleum Code but some laws on the oil sector.

References:

www.legalaffairs.gov.bh

Law No. 63 of 2005 establishing NOGA

Law No. 10 of 2006 regarding the roles and responsibilities of NOGA

1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.

Score: A B C D E

Comments:

Quote from attached paper "On June 6, 2009, the Bahrain Transparency Society and the Association of

Bahraini Journalists organized in cooperation with IREX a workshop on the Right to Access information. The workshop discussed the draft of the freedom of information laws in Yemen and Bahrain. .. IREX has agreed to help organize workshops on freedom of information for members of the Shura Council. The Bahraini Draft law was scheduled to be presented to the National People's Assembly in its fourth session in October 2009. In November the Services Committee of the Shura Council endorsed the draft law after a number of amendments proposed by the Council of Representatives were made. On January 5, 2010, the Council of Representative adopted the draft law on access to information and sent the bill to the Shura Council."

No FOI Act was passed since.

References:


none available

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	6 

1.3 Legal Framework and Practices

1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A B C

Comments:

NOGA Holding Co., NOGA's business and investment wing, holds 100 per cent in BAPCO. That means that the authority potentially in charge of the management of licensing agreements maintains financial interests in the licensing policy.

References:

<http://www.noga.gov.bh/>

Peer Review Comments:

Oil and gas policy is set by the National Oil and Gas Authority (NOGA) pursuant to Law No. 63 of 2005 establishing NOGA and Law No. 10 of 2006 regarding the roles and responsibilities of NOGA. NOGA has a Gas Affairs and Licensing division whose responsibilities include approval of oil exploration and drilling (see <http://www.noga.gov.bh/index.php?page=558>). NOGA has also been the contracting party for production sharing agreements in recent years; e.g. see Law No. 6 of 2009 approving the Exploration and Production Sharing Agreement between NOGA and Occidental. Thus it is more appropriate to regard NOGA rather than BAPCO as the licensing entity.

However, BAPCO is wholly-owned by the Oil and Gas Holding Company (nogaholding), the investment arm of NOGA (see <http://www.noga.gov.bh/WebsiteV2.0/en/getinfo.asp?aid=758&menu=2§ion=36>). Thus, although the licensing entity is separate from the state-owned operator, the two institutions are closely linked and not independent.

All laws cited above are available (in Arabic only) at www.legalaffairs.gov.bh.

1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score: A B C D E

References:

N/A

Peer Review Comments:

Government procurement is done through a procurement process overseen by the Tender Board pursuant to Law No. 36 of 2002 regarding the organisation of government tenders and purchases (available in Arabic only at <http://www.tenderboard.gov.bh/DynamicPages/Laws.aspx?Type=Law>). The

Tender Board also has the power pursuant to Article 4 of Law No 36 of 2002 to authorise procurement by direct agreement with a single supplier. The tender process has been used for oil and gas projects, for example in relation to an exploration and production sharing contract for deep gas (see <http://www.tenderboard.gov.bh/Tendering/Reports/OpenedTendersReport.aspx?TenderID=219128>) and a strategic partnership for an LNG terminal (see <http://www.tenderboard.gov.bh/Tendering/Reports/OpenedTendersReport.aspx?TenderID=221718>). However, the tender process was not used in relation to several production sharing agreements entered into in 2008 and 2009 (see <http://www.noga.gov.bh/index.php?page=548>).

1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score: A B C D E

References:

See previous peer reviewer's comment.

1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score: A B C D E

References:

N/A

Peer Review Comments:

In recent years, certain production sharing agreements have been ratified by the legislature. For example, see Law No. 24 of 2009 approving the Development and Production Sharing Agreement with Occidental and Mubadala and Law No. 6 of 2009 approving the Exploration and Production Sharing Agreement and Occidental. These laws are available in Arabic only at www.legalaffairs.gov.bh.

1.3.015: Is there a due process to appeal licensing decisions?

Score: A B C

References:

<http://www.bapco.net/default.asp?action=category&id=54>

Peer Review Comments:

There is no process for appealing licensing decisions. However, the reviewer could not find anything to suggest political influence or economic interest leading to changes in relation to the production sharing agreements entered into in recent years.

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?

Score: A B C

References:

<http://www.noga.gov.bh/index.php?page=518>

Peer Review Comments:

There is no requirement to disclose beneficial ownership.

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Bahrain - RWI Index Questionnaire

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Indicator	Score
2.1 Context	100 

2.1 Context

2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A B C

Comments:

BAPCO reports that it "provides the full requirements of natural gas to the power generating plants and other industries in the country." It is not clear whether these are supplies below market price, and as such would constitute "in kind" payments.

References:

<http://www.noga.gov.bh/index.php?page=518>

Peer Review Comments:

In kind payments could be made, for example, under the exploration and production sharing agreement with Occidental (see Law No. 6 of 2009 approving the agreement).

The above mentioned law is available in Arabic only at www.legalaffairs.gov.bh.

2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D E

References:

BAPCO website, <http://www.bapco.net/default.asp?action=category&id=22>

Peer Review Comments:

BAPCO's output is marketed domestically and internationally (see <http://www.bapco.net/pdf/operation-map1.pdf>). In the absence of information regarding how export sales are made, the reviewed thinks 'E' is a more appropriate indicator.

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

Comments:

It is not entirely clear how revenues are ultimately collected. The Ministry of Finance's "Total State Revenue & Expenditure for The Fiscal Years 2011 & 2012" reports BD 2.9 billion in oil revenues. However, the BAPCO Annual review does not provide any financial statements. The beneficiary of BAPCO's revenues should be NOGA, as BAPCO's sole shareholder. But NOGA does not provide financial statements either (at the time of accessing NOGA's website, access was corrupted.)

References:

BAPCO Annual Review <http://www.bapco.net/eBook/AnnualReview2010-en/>, NOGA website, <http://www.noga.gov.bh/index.php?page=34>, Ministry of Finance, <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>

Peer Review Comments:











The Oil and Gas Holding Company (nogaholding), the investment arm of the National Oil and Gas Authority (NOGA), holds all the shares of BAPCO and other state-owned companies in the oil and gas sector (see <http://www.noga.gov.bh/index.php?page=519>). NOGA is also the contracting party for recent production sharing agreements (see <http://www.noga.gov.bh/index.php?page=548> and Law No. 6 of 2009 approving the exploration and production sharing agreement with Occidental). Thus NOGA is probably entitled to payments, either through BAPCO or under production sharing arrangements. However, oil and gas revenues are described as accounts under Ministry of Finance control in the state budget for 2010-2011 (see <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>). It is therefore likely that payments are actually collected by the Ministry of Finance.

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Indicator		Score	
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	22	
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	33	
2.2A	Quality of reports	67	
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	N/A	
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	N/A	
2.2B	Quality of reports	N/A	
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	30	
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	0	
2.2C	Quality of reports	33	
2.2D.020	Does the Central Bank publish information on revenue generation?	22	
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	0	
2.2D	Quality of reports	67	
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A	
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A	
2.2E	Quality of reports	N/A	
2.2	Public sector balance	56	

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

2.2A.020.a: Reserves

Score: A B C **(D)** E

References:

no info

2.2A.020.b: Production volumes

Score: A B C **(D)** E

References:

no info

Peer Review Comments:

Although the Ministry of Finance does not publish production volume figures, the Central Informatics Organisation (the government's statistics agency) publishes crude oil and gas production volumes in its "Bahrain in Figures". The latest report is for 2008 and was published in April 2010 (see http://www.cio.gov.bh/CIO_ARA/English/Publications/Bahrain%20in%20Figure/BIF2007_2008.pdf).

2.2A.020.c: Information on prices

Score: A B C **(D)** E

References:

no info

2.2A.020.d: Value of resource exports

Score: **(A)** B C D E

References:

no info

Peer Review Comments:

Oil and gas revenues are published in the the annual accounts of the Ministry of Finance. The latest accounts are available for the year ended 31 December 2010 and include figures for the prior year (see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>).

2.2A.020.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

References:

no info

2.2A.020.f: Production costs

Score: **(A)** B C D E

References:

no info

Peer Review Comments:

Costs relating to oil and gas are published in the the annual accounts of the Ministry of Finance. The latest accounts are available for the year ended 31 December 2010 and include figures for the prior

year (see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>). It is unclear if these cost figures relate only to production and operating costs (rather than investment and financing activities).

2.2A.020.g: Names of companies operating in country

Score: A B C **(D)** E

References:

no info

2.2A.020.h: Production data by company and/or block

Score: A B C **(D)** E

References:

no info

2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C **(D)** E

References:

no info

Peer Review Comments:

The cost of oil and gas subsidies is included in the state budget (e.g. see <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>) but not in the actual accounts published by the Ministry of Finance (e.g. see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>).

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

2.2A.020.j1: Production streams value

Score: A B C **(D)** E

References:

no info

2.2A.020.j2: Government s share in PSC

Score: A B C D **(E)**

References:

Np PSC.

Peer Review Comments:

Several PSCs were entered into in recent years (see <http://www.noga.gov.bh/index.php?page=548>), but as far as the reviewer is aware production under these PSCs has not yet commenced.

2.2A.020.j3: Royalties**Score:** A B C D E**References:**

no info

2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score:** A B C D E**References:**

no info

Peer Review Comments:

The Ministry of Finance publishes a figure for "Oil Taxation and Fees" in its annual accounts (e.g. see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>). This probably includes a special income tax applicable to oil and gas companies (see http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2012/dttl_tax_highlight_2012_Bahrain.pdf).

2.2A.020.j5: Dividends**Score:** A B C D E**References:**

no info

Peer Review Comments:

The Ministry of Finance publishes a figure for dividends from the Oil and Gas Holding Company, which holds shares in all the state-owned oil and gas companies (e.g. see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>).

2.2A.020.j6: Bonuses**Score:** A B C D E**References:**

no info

2.2A.020.j7: License fees**Score:** A B C D E**References:**

No info.

Peer Review Comments:

No license fees with PSCs.

2.2A.020.j8: Acreage feesScore: A B C D E**References:**

no info

2.2A.020.j9: Other (Explain in 'comments' box.)Score: A B C D E**References:**

no info

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?Score: A B C D E**References:**

no info

Peer Review Comments:

The annual accounts of the Ministry of Finance include very high-level notes on the accounting principles applied to oil and gas revenues (e.g. see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>).

2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?Score: A B C D E**Comments:**

See the annual budgets and final accounts, no detailed information on revenue generation by the oil sector specifically.

References:

MoF website, <http://www.mof.gov.bh/Categorylist.asp?cType=faccount>

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

2.2B.020.a: ReservesScore: A B C D E**References:**

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005. It is assessed in the 'Regulatory Agency' section.

2.2B.020.b: Production volumes

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.c: Information on prices

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.d: Value of resource exports

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.f: Production costs

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.g: Names of companies operating in country

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.h: Production data by company and/or block

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

2.2B.020.j1: Production streams value

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j2: Government s share in PSC

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j3: Royalties

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j5: Dividends

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j6: Bonuses

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j7: License fees

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j8: Acreage fees

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B Quality of reports

2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?

Score: A B C D E

References:

National Oil and Gas Authority (NOGA) replaced the Ministry of Oil in 2005.

2.2C.020 Does a Regulatory Agency publish information on revenue generation?

2.2C.020.a: Reserves

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The National Oil and Gas Authority publishes figures for production volumes only (e.g. see <http://www.noga.gov.bh/index.php?page=571>).

2.2C.020.b: Production volumes

Score: A B C D E

References:

NOGA website, <http://www.noga.gov.bh/index.php?page=573>

2.2C.020.c: Information on prices

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The National Oil and Gas Authority publishes figures for production volumes only (e.g. see <http://www.noga.gov.bh/index.php?page=571>).

2.2C.020.d: Value of resource exports

Score: A B C D E

Comments:

There are reports on the size of the resource exports, but not the value.

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The National Oil and Gas Authority publishes figures for production volumes only (e.g. see <http://www.noga.gov.bh/index.php?page=571>).

2.2C.020.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The National Oil and Gas Authority publishes figures for production volumes only (e.g. see <http://www.noga.gov.bh/index.php?page=571>).

2.2C.020.f: Production costs

Score: A B C **(D)** E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The National Oil and Gas Authority publishes figures for production volumes only (e.g. see <http://www.noga.gov.bh/index.php?page=571>).

2.2C.020.g: Names of companies operating in country

Score: A **(B)** C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The names of national and international operating companies are listed on the website of the National Oil and Gas Authority (see <http://www.noga.gov.bh/index.php?page=548> and <http://www.noga.gov.bh/index.php?page=525>).

2.2C.020.h: Production data by company and/or block

Score: **(A)** B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

Official statistics usually provide breakdowns of oil production data by the "Bahrain" field (the main onshore oil field) and the Abu Safa field (the offshore field shared with Saudi Arabia). E.g. see <http://www.noga.gov.bh/index.php?page=571>. As far as the reviewer is aware, production from other offshore blocks has not yet commenced and it is unclear whether separate production figures for those blocks will be published.

2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C **(D)** E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

2.2C.020.j1: Production streams value

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j2: Government s share in PSC

Score: A B C D E

References:

N/A

Peer Review Comments:

Several PSCs were entered into in recent years (see <http://www.noga.gov.bh/index.php?page=548>), but as far as the reviewer is aware production under these PSCs has not yet commenced.

2.2C.020.j3: Royalties

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j5: Dividends

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j6: Bonuses

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j7: License fees

Score: A B C D E

References:

No info.

Peer Review Comments:

No license fees with PSCs.

2.2C.020.j8: Acreage fees

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

2.2C Quality of reports

2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?

Score: A B C D E

Comments:

None of the annual reports, supposedly published by NOGA were accessible on their website - all files were corrupted.

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

The National Oil and Gas Authority does publish reports containing figures and statistics (e.g. see <http://www.noga.gov.bh/index.php?page=571> and http://www.noga.gov.bh/publication//en/Fact%20and%20Figure%20layout%202010_E.html) but without explanations.

2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?

Score: A B **C** D E

References:

<http://www.noga.gov.bh/index.php?page=35>, website corrupted

Peer Review Comments:

Annual reports and statistics are available on the website of the National Oil and Gas Authority at <http://www.noga.gov.bh/>. These reports contain production volume figures only.

2.2D.020 Does the Central Bank publish information on revenue generation?

2.2D.020.a: Reserves

Score: A B C **D** E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.b: Production volumes

Score: **A** B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.c: Information on prices

Score: A B C **D** E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

Peer Review Comments:

The cited report includes oil and gas revenue figures but no details on prices (other than the UK Brent Oil price, but there is no indication that this is the price at which oil was actually sold).

2.2D.020.d: Value of resource exports

Score: **A** B C D E

Comments:

The central bank does not report on revenue generation, but it does report on the contribution of the oil sector to Bahrain's GDP, which I assume is equivalent, though retained production needs to be subtracted.

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

Peer Review Comments:

The Central Bank publishes total oil and gas revenue figures (e.g. see <http://www.cbb.gov.bh/assets/E%20I/EI%20Sep2011.pdf>), but these figures are provided by the

Ministry of Finance.

2.2D.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.f: Production costs

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.g: Names of companies operating in country

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.h: Production data by company and/or block

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

2.2D.020.j1: Production streams value

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j2: Government s share in PSC

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

Peer Review Comments:

Several PSCs were entered into in recent years (see <http://www.noga.gov.bh/index.php?page=548>), but as far as the reviewer is aware production under these PSCs has not yet commenced.

2.2D.020.j3: Royalties

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j5: Dividends

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j6: Bonuses

Score: A B C D E

References:

http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j7: License fees

Score: A B C D E

References:

No info.

Peer Review Comments:

No license fees with PSCs.

2.2D.020.j8: Acreage fees**Score:** A B C D E**References:**http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**http://www.cbb.gov.bh/page-p-economic_indicators.htm

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?**Score:** A B C D E**References:**http://www.cbb.gov.bh/page-p-economic_indicators.htm**Peer Review Comments:**

The Central Bank's "Economic Indicators" report (<http://www.cbb.gov.bh/assets/E%20I/EI%20Sep2011.pdf>) is an aggregation of data from various sources with no explanation in relation to oil and gas revenue figures.

2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?**Score:** A B C D E**References:**http://www.cbb.gov.bh/page-p-economic_indicators.htm**Peer Review Comments:**

The Central Bank's "Economic Indicators" report is published quarterly (see http://www.cbb.gov.bh/page-p-economic_indicators.htm).

2.2E.020 Does any other government agency or entity publish information on revenue generation?

2.2E.020.a: Reserves**Score:** A B C D E**References:**

No other government agency can be assessed here.

2.2E.020.b: Production volumes

Score: A B C D E

References:

n/a

Peer Review Comments:

The government's statistical agency, the Central Informatics Organisation, publishes oil and gas production volumes in its annual "Bahrain in Figures" report (see http://www.cio.gov.bh/CIO_ARA/English/Publications/Bahrain%20in%20Figure/BIF2007_2008.pdf), although the National Oil and Gas Authority is cited as the source for such figures.

2.2E.020.c: Information on prices

Score: A B C D E

References:

n/a

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

n/a

2.2E.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

n/a

2.2E.020.f: Production costs

Score: A B C D E

References:

n/a

2.2E.020.g: Names of companies operating in country

Score: A B C D E

References:

n/a

2.2E.020.h: Production data by company and/or block**Score:** A B C D E**References:**

n/a

2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue**Score:** A B C D E**References:**

n/a

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

2.2E.020.j1: Production streams value**Score:** A B C D E**References:**

n/a

2.2E.020.j2: Government s share in PSC**Score:** A B C D E**References:**

n/a

2.2E.020.j3: Royalties**Score:** A B C D E**References:**

n/a

2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score:** A B C D E**References:**

n/a

2.2E.020.j5: Dividends**Score:** A B C D E**References:**

n/a

2.2E.020.j6: Bonuses**Score:** A B C D E**References:**

n/a

2.2E.020.j7: License fees**Score:** A B C D E**References:**

n/a

2.2E.020.j8: Acreage fees**Score:** A B C D E**References:**

n/a

2.2E.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

n/a

2.2E Quality of reports

2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**Score:** A B C D E**References:**

n/a

Peer Review Comments:

The Central Informatics Organisation's "Bahrain in Figures" report does not provide any explanations of the oil and gas production figures provided (see

http://www.cio.gov.bh/CIO_ARA/English/Publications/Bahrain%20in%20Figure/BIF2007_2008.pdf).

2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?

Score: A B C D **E**

References:

n/a

Peer Review Comments:

The Central Informatics Organisation's "Bahrain in Figures" report is published annuals (see http://www.cio.gov.bh/cio_eng/SubDetailed.aspx?subcatid=120).

2.2 Public sector balance

2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C **D** E

References:

No information found.

Peer Review Comments:

The state accounts published by the Ministry of Finance include oil and gas revenues but not SOC assets and liabilities (see <http://www.mof.gov.bh/showdatafile.asp?rid=2404&ftype=file1>).

2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?

Score: A **B** C D E

References:

No information found.

Peer Review Comments:

A portion of oil revenues is set aside for a "Future Generations Reserve Fund" established pursuant to Law No. 28 of 2006 (available in Arabic only at www.legalaffairs.gov.bh). The state budget includes the annual amount to be contributed to this fund (e.g. see <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>) but no other details of this fund, or the state's other sovereign wealth fund, Mumtalakat, are included in the budget.

2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?

Score: **A** B C

References:

Ministry of Finance website, <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>

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Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	86 

2.3 Legal Framework and Practices

2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B C D E

References:

see question 2.1.019. and answer.

Peer Review Comments:

The Oil and Gas Holding Company (nogaholding), the investment arm of the National Oil and Gas Authority (NOGA), holds all the shares of BAPCO and other state-owned companies in the oil and gas sector (see <http://www.noga.gov.bh/index.php?page=519>). NOGA is also the contracting party for recent production sharing agreements (see <http://www.noga.gov.bh/index.php?page=548> and Law No. 6 of 2009 approving the exploration and production sharing agreement with Occidental). Thus NOGA is probably entitled to payments, either through BAPCO or under production sharing arrangements. However, oil and gas revenues are described as accounts under Ministry of Finance control in the state budget for 2010-2011 (see <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>). It is therefore likely that payments are actually collected by the Ministry of Finance, although the legal basis for the Ministry of Finance's control over oil revenues is unclear.

2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B C D E

Comments:

Corresponding information is documented in the Total State Revenue & Expenditure for The Fiscal Years 2011 & 2012 in an aggregate form, though not necessarily expressed in the language used in the question.

References:

Ministry of Finance website, <http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>

2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score: (A) B C

References:

The researcher was not able to identify such information.

Peer Review Comments:

Article 58(d) of Law No. 36 of 2006 on civil service (available in Arabic only at www.legalaffairs.gov.bh) prohibits government employees from having an interest in any activity, contract or tender related to his or her position, although there is no requirement to disclose such an interest.

2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?

Score: (A) B C D E

References:

no information identified.

Peer Review Comments:

The National Audit Court, which was established pursuant to Law No. 16 of 2002 (available in Arabic only at <http://www.nac.gov.bh/pdf/NaCLaws.pdf>), has the authority to audit government departments, agencies and companies which are more than 50% owned by the government. The Court has a budget of BHD 4.15 million (US\$ 11 million) according to the state budget for 2012 (<http://www.mof.gov.bh/showdatafile.asp?rid=2052&ftype=file1>). See also <http://www.nac.gov.bh/about.asp> for an organisation chart of the Court.

2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?

Score: (A) B C D E

References:

no info identified

Peer Review Comments:

The National Audit Court is required to submit its annual report to the legislature pursuant to Article 19 of Law No. 16 of 2002 on the National Audit Court (available in Arabic only at <http://www.nac.gov.bh/pdf/NaCLaws.pdf>). In the past few years, the National Audit Office has published its report in at least one newspaper, e.g. the report for 2010 was published in Al Wasat Newspaper on 13 December 2011 (the report is available in Arabic only at <http://www.alwasatnews.com/pdf/index.php?issue=3384&cat=rqp>).

2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?

Score: (A) B C D E

References:

Website of the Parliament of Bahrain.
<http://www.nuwab.gov.bh/>

Peer Review Comments:

A parliamentary committee discussed the 2010 National Audit Office report on 17 April 2012, i.e. less than one year after the report was submitted on 13 December 2011 (see Arabic press release at <http://www.bna.bh/portal/news/504304>).

2.3.032: Is this country an EITI candidate or compliant country?

Score: A B C D E

References:

EITI website

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Indicator	Score
3.1.1	67 

3.1.1 Context

3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A B C D E

Comments:

From BAPCO's website (<http://www.naukri.com/gpw/bapco/index.htm>):

"BAPCO, wholly owned by the Government of Bahrain, is engaged in the oil industry including exploration and prospecting for oil, drilling, production, refining, distribution of petroleum products and natural gas, sales and exports of crude oil and refined products.

The company owns a 250,000 barrel-a-day refinery, storage facilities for more than 14 million barrels, a marketing terminal, and a marine terminal for its petroleum products.

BAPCO's prime customers for crude oil and refined products are based in the Middle East, India, the Far East, South East Asia and Africa, and 95% of refined products are exported."

The site also describes BAPCO's refining capacity. Unlike many Gulf states, Bahrain exports refined petroleum products rather than crude. According to the BAPCO site "The Bahrain Refinery - one of the largest in the Middle East and the oldest in the GCC - refines over 250,000 barrels of crude every day. About one-sixth of this crude originates from Bahrain Field; the remainder is pumped from Saudi Arabia in a pipeline extending 27 kilometres over land and a further 27 kilometres under the sea before reaching the north-west of Bahrain."

References:

<http://www.bapco.net/default.asp?action=category&id=28>

Peer Review Comments:

NOGA has been the contracting party for production sharing agreements in recent years; e.g. see Law No. 6 of 2009 approving the Exploration and Production Sharing Agreement between NOGA and Occidental.

3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A B C D E

Comments:

BAPCO is a 100 per cent subsidiary of NOGA Holding.

References:

<http://www.noga.gov.bh/index.php?page=518>

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: (A) B C

Comments:

There are a number of upstream and downstream companies working in the sector. NOGA operates as a holding company.

Bahrain Petroleum Company
Nogaholding Company
Gulf Petrochemical Industries Company
Bahrain National Gas Company
Tatweer Petroleum Company
Bahrain Aviation Fuelling Company
Bahrain Lube Base Oil Company
Skaugen Gulf Petchem Carriers
Bahrain National Gas Expansion Company

References:

<http://www.noga.gov.bh/index.php?page=525>

3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?

Score: A (B) C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>






Peer Review Comments:

BAPCO sells oil and gas products to the local market. It seems likely that these products are sold at subsidised or preferential prices, although the review could not find specific documentary evidence of this.

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Indicator		Score	
3.2.1	Comprehensive reports	33	
3.2.2.038	Does the SOC publish information on revenue generation?	33	
3.2.3.038.j	Disaggregated Revenue Streams	0	
3.2.4	Quality of reports	17	
3.2.5.043	Audited reports	0	

3.2.1 Comprehensive reports

3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.2.038.b: Production volumes

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.2.038.c: Information on prices

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.2.038.d: Value of resource exports

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

Peer Review Comments:

There are no aggregate figures for export sales in the cited report.

3.2.2.038.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.2.038.f: Production costs

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

Peer Review Comments:

BAPCO does include figures for refining costs and margins on a per barrel basis. However, the reviewer does not think this is sufficient information regarding costs to justify a change of score.

3.2.2.038.g: Names of companies operating in country

Score: A B C **(D)** E

References:

Not mentioned.

Peer Review Comments:

There are other companies operating in Bahrain, e.g. pursuant to production sharing agreements (<http://www.noga.gov.bh/index.php?page=548>). BAPCO is also likely to engage other companies for matters such as field services. These companies are not mentioned in BAPCO's annual report.

3.2.2.038.h: Production data by company and/or block

Score: **(A)** B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.2.038.i: Quasi fiscal activities

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

Peer Review Comments:

There is no information on BAPCO's quasi-fiscal activities (e.g. sale of oil and gas to local market at preferential prices) in its annual report.

3.2.3.038.j Disaggregated Revenue Streams

3.2.3.038.j1: Production streams value

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j2: Government s share in PSC

Score: A B C D **(E)**

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j3: Royalties

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j4: Special taxes

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j5: Dividends

Score: A B C **(D)** E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j6: Bonuses

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j7: License fees

Score: A B C D E

References:

No info.

3.2.3.038.j8: Acreage fees

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.3.038.j9: Other (Describe below)

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.4 Quality of reports

3.2.4.039: Are the reports published by the state owned company understandable?

Score: A B C D E

Comments:

It does not actually list items, data, etc, but provides a general narrative, lacking data.

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?

Score: A B C D E

References:

<http://www.bapco.net/default.asp?action=category&id=31>

3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

Peer Review Comments:

BAPCO does not disclose any information about quasi-fiscal activities in its annual report.

3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.5.043 Audited reports

3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.2.5.043.b: Are SOC audited reports published?

Score: A B C D E

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>


Peer Review Comments:

This question is not applicable because there do not appear to be any SOC audited reports.

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Indicator	Score
3.3.1 Legal Framework and Practice	20 

3.3.1 Legal Framework and Practice

3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A B C

Comments:

No information identified.

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

Peer Review Comments:

This question is not applicable because the BAPCO does not publish audited accounts.

3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?

Score: A B C

References:

<http://www.bapco.net/eBook/AnnualReview2010-en/>

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