











RWI Index Questionnaire: Equatorial Guinea 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

Comments:

According to the World Bank, Equatorial Guinea authorities have created a Fund for Future Generations (Fonds de Réserves Pour Générations Futures) and have committed to allocate 0.5 percent of oil revenues into the fund, which is held at the BEAC. Furthermore the FFG it is clearly stated in the financing component of the budget document. However, data regarding the fund is not publicly available.

References:

Achille Same Toto, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (Washington, DC: World Bank, 2008).

4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D E

Comments:

Although Equatorial Guinea revenues are collected by the Treasury, dedicated funds for Fund for the Future Generations (FFG) are held at the BEAC.



References:

Achille Same Toto, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (Washington, DC: World Bank, 2008), pages 25-26.

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Indicator		Score
4.2.1	Comprehensive reports	0 
4.2.2.056	Audited reports	0 

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

Comments:

The only information that is available on deposits is that 0.5 percent of oil revenues should be deposited into the fund, to be held at the BEAC. No other rules seem to be publicly available.

References:

See Achille Same Toto, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (Washington, DC: World Bank, 2008), page 25. Also see <http://www.swfinstitute.org/swfs/equatorial-guinea-ffg/>.

Peer Review Comments:

The only public document with information on this fund is the national budget.

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

Comments:

According to the the World Bank, the FFG is clearly stated in the financing component of the budget document and has been adhered to in the recent years. However, although information on the Fund for Future Generations might be included in the national budget, the reviewer could not access the document or any information on assets, transactions or investments. In addition, there is no information about the Fund for Future Generations on the BEAC site.

References:

Achille Same Toto, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (Washington, DC: World Bank, 2008). Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

Reports on the Fund for Future Generations are not available.

References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

Financial reports on the Fund for Future Generations are not available on the BEAC website. There is no functioning website for the Treasury, Ministry of Finance or Ministry of Economy.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?

Score: A B C D E

Comments:

There is no information about the Fund for Future Generations on the BEAC site, so it's unclear whether the Fund is audited.

References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

4.2.2.056b: Are the audited financial reports published?

Score: A B C

Comments:

There is no indication that the Fund is audited or that any reports are made available.


References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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Indicator	Score
4.3.1 Legal Framework and Practice	0 

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

Comments:

There is no reference to the Fund for Future Generations in any legislation the researcher has come across (including the 2006 Hydrocarbons Law, Model PSC, Constitution, etc).

References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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:

According to World Bank, the Fund for Future Generations is clearly stated in the financing component of the budget document and has been adhered to in the recent years. No other information is provided.

References:

Achille Same Toto, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (Washington, DC: World Bank, 2008), page 25. Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C

Comments:

There are no rules governing withdrawal or disbursement from the fund defined in any legislation that the researcher has come across.

References:

Achille Same Toto, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (Washington, DC: World Bank, 2008).

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**Comments:**

Rules governing withdrawal or spending from the fund are not defined

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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**Comments:**

It is unclear if withdrawals or spending from the fund reserves is approved by the legislature as part of the budget process since the rules for withdrawals and spending is not clear, and the budget process is not transparent.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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**Comments:**

Because very little is publicly available regarding the Fund for Future Generations, there is no indication that officials of the natural resource fund are required to disclose information about their financial interest in any oil, gas or mining projects

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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Indicator	Score
5.1.1	Context
5.1.1 Context	

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:

The researcher did not come across any information on resource revenue sharing between central and sub-national governments in EG.

However, according to Tutu Alicante (EG Justice), a Solidarity Fund was established by decree 92/2005 that allocates 10% of resources from the national budget to municipalities. The beneficiaries of this fund have had difficulty accessing these resources mainly because of lack of information on how to access them and/or lack of institutional and technical capacities. The resources are accessible through a project-based funding mechanism, but municipalities lack capacities to design such projects. And most of the municipalities exist only on paper.

References:

Confirmed in interview with Tutu Alicante (EG Justice).

Peer Review Comments:

The decree states that 10% of resources should be transferred to sub-national governments. These resources however are not really transferred to municipalities. It seems that a high level public official said in a speech that they don't give these funds to municipalities because they would not use them properly. It seems that these resources are managed centrally to pay salaries to municipal counselors and other costs related to their activities (no proof of this though).

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B C

Comments:

The researcher did not come across any information on conditions imposed on sub-national governments in EG as part of a revenue-sharing regime.

However, according to Tutu Alicante (EG Justice), a Solidarity Fund was established by decree 92/2005 that allocates 10% of resources from the national budget to municipalities. The beneficiaries of this fund have had difficulty accessing these resources mainly because of lack of information on how to access them and/or lack of institutional and technical capacities. The resources are accessible through a project-based funding mechanism, but municipalities lack capacities to design such projects. And most of the municipalities exist only on paper.

References:

Confirmed in interview with Tutu Alicante (EG Justice).

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Indicator		Score
5.2.1	Disclosure	0 

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:

Confirmed in interview with Tutu Alicante (EG Justice).

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:

Confirmed in interview with Tutu Alicante (EG Justice).

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:

Confirmed in interview with Tutu Alicante (EG Justice).

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

Comments:

Information on sub-national transfers is not publicly available

References:

Confirmed in interview with Tutu Alicante (EG Justice).

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

Score: A (B) C

Comments:

Sub-national governments do not publish information on transfers received from central governments. According to Tutu Alicante, the municipalities have had difficulty accessing sub-national transfers mainly because of lack of information on how to access them and/or lack of institutional and technical capacities. And most of the municipalities exist only on paper.


References:

Confirmed in interview with Tutu Alicante (EG Justice).

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Indicator	Score
5.3.1 Legal Framework and Practice	0 

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:

The arrangements for resource revenue sharing between central and sub-national governments are not defined by legislation. Confirmed in interview with Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

According to Tutu Alicante (EG Justice), a Solidarity Fund was established by decree 92/2005 that allocates 10% of resources from the national budget to municipalities. The municipalities, however, have had difficulty accessing the funds because of lack of information on how to access them and/or lack of institutional and technical capacities. And most of the municipalities exist only on paper. So it is unclear if in practice the government follows resource revenue sharing rules.

References:

Confirmed in interview with Tutu Alicante (EG Justice).

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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

Comments:

Article 1 of EG's Hydrocarbons Law states "All Hydrocarbon reservoirs that exist in the surface and subsoil areas of Equatorial Guinea, including its inland waters, territorial waters, exclusive economic zone and Continental Shelf are the exclusive property of the State and therefore public domain goods." Article 6 states: "The State is the holder of all Hydrocarbon exploitation rights in Equatorial Guinea and has the right to perform Petroleum Operations in its own name, through its National Companies directly or through an association with a Contractor. Contractor's activities shall be authorized and regulated by the Ministry for and on behalf of the State."

In addition, Article 3 of the Constitution states "The State shall fully exercise its sovereignty and shall be reserved the exclusive rights to explore and exploit all mineral resources and hydrocarbons." Article 28 states "The resources and services reserved to the public sector [include] mines and hydrocarbons."

References:

Equatorial Guinea's Hydrocarbons Law (Law No. 08/2006), Articles 1 and 6. Also, Constitution of Equatorial Guinea (1992), Articles 3 and 28.

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

Score: A B C D E

References:

The Ministry of Mines, Industry and Energy is the regulatory and legislative agency which has responsibility for all matters relating to minerals, petroleum, industry and energy supplies in Equatorial Guinea. See: <http://www.equatorialoil.com/theministry.html>

Article 9 of the Hydrocarbons Law states: "Notwithstanding the areas of responsibility assigned to the Ministry by the Law of the Legal Regime for the Central Administration of the State and its organic and functional regulations, the Ministry shall be the state entity responsible for the formulation, regulation and monitoring of Petroleum Operation policies, as well as the administration, planning, implementation, supervision, inspection, auditing and enforcement of all Petroleum Operations and all activities relating thereto. The Ministry shall be the competent body in all areas relating to Hydrocarbon management and Petroleum Operations. Likewise, the Ministry is also responsible for negotiating, signing and executing all Contracts entered into between the State and Contractors, as well as for amending the terms of any Contracts to ensure that Petroleum Operations are carried out for the benefit of the State."

1.1.003: What licensing practices does the government commonly follow?**Score:** A B C D **(E)****Comments:**

The 2006 Hydrocarbons Law allows the Ministry of Mines to enter into contracts with companies with "suitable" technical and financial capabilities either by public tender or by direct negotiation, depending on the terms that are "most favorable to EG." (However, the law does not define the criteria by which capabilities may be "suitable.") Since the government allows for both public tender AND direct negotiations, in this case (E) is the most suitable answer.

Article 15 of the Hydrocarbons Law states: "The Ministry may award Contracts to Persons by means of competitive international public tender in accordance with the rules to be established by the Ministry, or by means of direct negotiation, and shall obtain, to the extent possible, the most favorable terms possible for Equatorial Guinea." However, in Article 99, the Ministry has powers to terminate any contract: "in whole or in part, for public interest reasons, against payment of fair compensation, which shall be negotiated between the State and the Contractor. Should no agreement be reached, the amount of compensation shall be determined by arbitration conducted in accordance with the principles established in the relevant Contract."

As EG Justice's "Codifying the Resource Curse: Equatorial Guinea's Oil Law" states: "[D]espite requiring the creation of a 'competitive international tender system' for the awarding of rights, in fact the law allows the Ministry to award either contracts through this system 'or by means of direct negotiation,' thereby rendering the public tender requirement largely meaningless." (May 1, 2008). See here: <http://egjustice.org/information-center/results/codifying%20the%20resource%20curse>

Also of interest is that the Ministry of Mines, Industry and Energy produced a data catalogue for its 2006 licensing round (attached).

References:

1. 2006 Hydrocarbons Law (attached)
2. EG Justice, "Codifying the Resource Curse," (May 1, 2008). See here: <http://egjustice.org/information-center/results/codifying%20the%20resource%20curse>
3. EG 2006 Licensing Round Data Catalogue (attached)

1.1.004: What is the fiscal system for mineral resources?**Score:** A **(B)** C D E**Comments:**

EG's fiscal system is governed by production sharing contracts. A 2006 Model Production Sharing Contract is available at <http://www.equatorialoil.com/legislation.html>. However, the model PSC provides general terms for a negotiation and EG does not publish particular negotiated terms or winning bids. The PSC model spells out production sharing rules.

Article 13 of the Hydrocarbons Law spells out: "Contracts entered into between Contractors and the State shall be based on the Model Production Sharing Contract attached to this Law and will be an integral part of the same. With respect to reserved areas of the State, a direct contracting system through the execution other types of Contracts is adopted."

The World Bank's working paper on "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea (Achille Toto Same, April 2008)" agrees (on pages 9, 25 and 26) that EG operates with Production Sharing Contracts. Also, please see Sarah Nso's UNISCI Discussion Papers, N° 20 (May 2009) on the Petroleum Boom in EG (pages 162-163) where Nso discusses EG's fiscal regime.

References:

1. 2006 Model PSC
 2. Same, Achille Toto, World Bank, "Mineral Rich Countries and Dutch Disease: The Case of Equatorial Guinea," (April 2008)
 3. Sarah Nso's UNISCI Discussion Papers, N° 20 (May 2009) on the Petroleum Boom in EG (pages 162-163) where Nso discusses EG's fiscal regime.
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1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: (A) B C D E

Comments:

The Ministry of Mines, Industry and Energy is the regulatory and licensing authority for Equatorial Guinea.

Article 9 of the Hydrocarbons Law States: "Notwithstanding the areas of responsibility assigned to the Ministry by the Law of the Legal Regime for the Central Administration of the State and its organic and functional regulations, the Ministry shall be the state entity responsible for the formulation, regulation and monitoring of Petroleum Operation policies, as well as the administration, planning, implementation, supervision, inspection, auditing and enforcement of all Petroleum Operations and all activities relating thereto. The Ministry shall be the competent body in all areas relating to Hydrocarbon management and Petroleum Operations. Likewise, the Ministry is also responsible for negotiating, signing and executing all Contracts entered into between the State and Contractors, as well as for amending the terms of any Contracts to ensure that Petroleum Operations are carried out for the benefit of the State."

The Hydrocarbons Law, in Article 43 states "all Persons wishing to perform Hydrocarbon refining and commercialization activities must obtain a license from the Ministry."

References:

2006 Hydrocarbons Law

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Indicator	Score
1.2.006 Information on licensing process	50 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	0 
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

Comments:

It seems that (B) is the most appropriate choice, since some information on licensing rounds is provided by the Ministry. For its 2006 licensing round, the Ministry of Mines announced a call for bids in the press on its website (see http://www.equatorialoil.com/EG%20Press%20Releases/2006/PRESS%20RELEASE%202006%20Lic_Rnd.htm) as well as the scheduling of licensing round seminars in several cities, and provided several updates on negotiations on its website after the licensing round had been extended (see http://www.equatorialoil.com/EG%20Press%20Releases/2006/PRESS%20RELEASE%2022_08_06.htm). The Ministry of Mines also made available on its website a "data catalogue" that provides seismic data and licensing fees for the 2006 licensing round (see attached). Geographic scope of blocks is also included.

There is also some information available on the Ministry of Mines website under 2006 presentations on Hydrocarbon Development (slides 20 and 21): <http://www.equatorialoil.com/2006.html>

However, the information in these press releases is hardly extensive. For instance, the contract terms for licenses and the procedure for awarding a license are not provided (including auction rules).

Confirmed during interviews with NGO representatives (Tutu Alicante, EG Justice).

References:

1. Ministry of Mines announced call for bids (see http://www.equatorialoil.com/EG%20Press%20Releases/2006/PRESS%20RELEASE%202006%20Lic_Rnd.htm)
2. MOM updates on negotiations after the licensing round had been extended (see http://www.equatorialoil.com/EG%20Press%20Releases/2006/PRESS%20RELEASE%2022_08_06.htm).
3. 2006 presentations on Hydrocarbon Development (slides 20 and 21): <http://www.equatorialoil.com/2006.html>

4. 2006 licensing round data catalogue

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

Score: A B C D E

Comments:

On September 14, 2007, the Ministry announced that it had invited several companies to negotiate PSCs as part of its 2006 licensing round . Companies that were "invited" to negotiate PSCs were listed. (Although "invited," these companies were essentially awarded the blocks.)

A press release announcing the signing of block EG-07 (one of the blocks from the 2006 licensing rounds) was published in July 2009.
http://www.equatorialoil.com/EG%20Press%20Releases/2009/22_07_09c.htm. There are no other press releases on the Ministry website related to blocks from the 2006 licensing round.

The winning bids and information on final contract awards, the actual terms of the negotiations (duration, royalties and tax obligations), the winning bidding variables and or production sharing rules are not listed anywhere.

References:

On September 14, 2007, the Ministry announcement regarding negotiation of PSCs as part of its 2006 licensing round .

Press release announcing the signing of block EG-07 (one of the blocks from the 2006 licensing rounds), published in July 2009: http://www.equatorialoil.com/EG%20Press%20Releases/2009/22_07_09c.htm.

This information was confirmed by Tutu Alicante (Founder and Director, EG Justice).

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

Comments:

EG has a model production sharing contract, as well as a list of main PSC terms on the Ministry of Mines site, but does not disclose contracts, agreements or negotiated terms for exploration or production.

However, according to Hilda Harnack of the World Bank, the EG government has been discussing the implementation of a public library/office to house information on the activities and operations of oil companies, including contracts, financial reports. However, it's unclear whether legislation to establish the office is in motion, or what the timeframe is for establishing such an office.

References:

Confirmed by Tutu Alicante (Director, EG Justice) and Hilda Harnack (consultant for EG with the World Bank).

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**Comments:**

From searching all of the publicly available websites for EG, including the official government website, there is no requirements that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation. They are simply required to submit the "plans required by the Environmental law and the terms of their Contract, specifying the practical measures which should be taken in order to prevent harm to the environment, including environmental impact assessment studies and audits, " although this criteria is not specified and no copy of the Environmental Law is publicly available. Also, this criterion only seems to apply post-award.

This was confirmed in interviews with World Bank official Hilda Harnock (World Bank consultant for EG, working on EITI; email: hilday@cox.net; Phone: 703-893-5506).

References:

Article 66 of the Hydrocarbons Law states that "Contractors and their Associates shall submit to the Ministry, within the time frames established by the Ministry, the plans required by the Environmental law and the terms of their Contract, specifying the practical measures which should be taken in order to prevent harm to the environment, including environmental impact assessment studies and audits, plans for ecosystem and structural rehabilitation and permanent management and environmental auditing plans. Such documentation shall later be submitted to the relevant Department for its examination and approval."

The GEPetrol website (<http://www.equatorialoil.com>) says that GEPetrol is responsible for environmental policy and implementation.

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**Comments:**

There is no evidence that environmental impact assessments for oil, gas and mining projects are published by the Ministry of Mines, Ministry of Fishing and Environment or any other agency in Equatorial Guinea.

References:

This information was confirmed in interviews with World Bank officials Hilda Harnock (World Bank consultant for EG, working on EITI; email: hilday@cox.net; Phone: 703-893-5506).

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?Score: A B C**Comments:**

There is no evidence that social impact assessments for oil, gas and mining projects are required by the Ministry of Mines or any other government agency in Equatorial Guinea prior to the award.

References:

This information was confirmed in interviews with World Bank officials Hilda Harnock (World Bank

consultant for EG, working on EITI; email: hilday@cox.net; Phone: 703-893-5506).

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

Comments:

There is no evidence that social impact assessments for oil, gas and mining projects are published by the Ministry of Mines, Ministry of Fishing and Environment or any other agency in Equatorial Guinea.

References:

This information was confirmed in interviews with World Bank official Hilda Harnock (World Bank consultant for EG, working on EITI; email: hilday@cox.net; Phone: 703-893-5506).

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:

Although the government makes available both the 2006 Hydrocarbons Law and 2006 Model PSC on the Ministry of Mines website which provide basic provisions and definitions, the legislation does not provide specific principles or fiscal terms and provisions for assessing revenue.

References:

Please see the 2006 Hydrocarbons Law and 2006 Model PSC which are available on the Ministry of Mines website at <http://www.equatorialoil.com/legislation.html>, and also attached.

This information was confirmed in interviews with World Bank official Hilda Harnock (World Bank consultant for EG, working on EITI; email: hilday@cox.net; Phone: 703-893-5506).

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:

The country's 2006 Hydrocarbons Law lacks public disclosure provisions and provides no regulatory controls to ensure accountability. There is no evidence that any other legislation or rule provides for disclosure of information in the oil, gas and mineral sectors.

References:


Please see the 2006 Hydrocarbons Law

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	39 

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:

Although the Ministry of Mines, Industry and Energy is technically independent from the state-owned company, GEPetrol, the two companies are intrinsically intertwined.

The Ministry of Mines is the regulatory and licensing authority for Equatorial Guinea. The Hydrocarbons Law, in Article 43 says "all Persons wishing to perform Hydrocarbon refining and commercialization activities must obtain a license from the Ministry."

However, the national state-owned oil company, GEPetrol, which is regulated by the Ministry of Mines, also plays a prominent role in the process, and is charged with managing the government's interest stakes in the various PSCs and joint ventures with oil companies. In this capacity, GEPetrol "is responsible for the promotion of open acreage within Equatorial Guinea" according to the GE Petrol website at www.equatorialoil.com.

References:

See Ministry of Mines and GEPetrol websites at www.equatorialoil.com (under the Petroleum and GEPetrol tabs), as well as the Hydrocarbons Law, which is attached.

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

Score: A B C D E

Comments:

The law is somewhat contradictory in that it states that the Ministry of Mines shall enter into contracts with companies with "suitable" capabilities, yet allows for contracts to be awarded either by public tender or by direct negotiation, depending on which is most favorable for EG.

References:

See Article 14 in the Hydrocarbons Law attached: "The Ministry shall only enter into Contracts with Persons having suitable technical and financial capability, as well as proven experience in the oil and gas industry." However, in Article 15 it says: "The Ministry may award Contracts to Persons by means of competitive international public tender in accordance with the rules to be established by the Ministry, or by means of direct negotiation, and shall obtain, to the extent possible, the most favorable terms possible for Equatorial Guinea." In addition, in Article 99, the Ministry has powers to terminate any contract: "in whole or in part, for public interest reasons, against payment of fair compensation, which

shall be negotiated between the State and the Contractor. Should no agreement be reached, the amount of compensation shall be determined by arbitration conducted in accordance with the principles established in the relevant Contract."

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

Comments:

The law is somewhat contradictory in that it states that the Ministry of Mines shall enter into contracts with companies with "suitable" capabilities, yet allows for contracts to be awarded either by public tender or by direct negotiation, depending on which is most favorable for EG. What is unclear is whether the Ministry of Mines can negotiate departures from these principles within "reasonable margins."

References:

See Hydrocarbons Law, Article 9, attached.

Confirmed during interview with Tutu Alicante (EG Justice)

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

Comments:

Although Government apparently ratifies PSCs, there is no evidence that the legislative branch actively oversees compliance with relevant legislation and regulation. This was confirmed in interviews.

However, even if the legislative branch were able to provide oversight compliance, the EG Parliament is made up of roughly 98% of members from the President's political party, the PGDE, and its partisanship and independence would be questionable (see Alicia Campos Serrano and Placido Mico Abogo, "Labour and Trade Union Freedom in Equatorial Guinea (2006)", pp. 56-57).

In fact, from discussions with Tutu Alicante, it's important to note that the Parliament in EG has no real power. It is controlled by the central government, and is not in a position to provide any kind of oversight of the gas, oil and mining sectors, even if the laws of the country required it.

References:

Interview with Tutu Alicante (Director, EG Justice)

Production Sharing Contracts (PSCs) are ratified by the Government according to press releases on the Ministry of Mines website. For instance, see press release From April 26, 2006 titled "Ratification of Block R and Block S Production Sharing Contracts. It's not clear which branch of Government has ratification power in these cases, however:
http://www.equatorialoil.com/EG%20Press%20Releases/2006/PRESS%20RELEASE%20BlockR%2025_4_06.htm

See also Alicia Campos Serrano and Placido Mico Abogo, "Labour and Trade Union Freedom in Equatorial Guinea (2006)", (pp. 56-57).

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

Score: A B C

Comments:

The only reference to an appeals process in the Hydrocarbons Law is found in Article 111. In cases when the Ministry applies a fine to a Contractor for noncompliance with laws, petroleum regulations or contracts, the laws stipulates that "the resolutions of the Ministry or other organs of equal or lower rank are subject to the administrative appeals procedures and challenges provided for in the law in force."

In the model PSC, there are specific rules for conflict resolution and arbitration in the case of a dispute between parties related to a contract. However, there are no reference to whether appeals are permissible for licensing decisions.

References:

See Hydrocarbons Law, Articles 108 and 111

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

Comments:

There is no reference to beneficial ownership in the 2006 Hydrocarbons Law or model PSC. However, both the Hydrocarbons Law and model PSC call for disclosure when there are changes in the ownership of shares in the capital of the Contractor, or any transfer of rights or obligations.

In the 2006 Hydrocarbons Law, Article 103, it states that the transfer of ownership of more than fifty percent of the shares in the capital of any Person making up a Contractor, that affects the ownership of the rights under the relevant Contract, shall be deemed to be an assignment of contractual rights and must be disclosed. However, the acquisition of the parent company of a Contractor by another Person, or the merger of the parent company with another Person is not subject to these conditions.

In addition, in model PSC, it states in section 17.2.1 that "the assignment, transfer, encumbrance or other disposition of the rights and/or obligations of a Party comprising the Contractor shall require the prior consent of the Ministry." The Model PSC also requests that "each of the Parties comprising the Contractor (other than the National Company) shall incorporate an Affiliate under the laws of Equatorial Guinea and shall assign all of its rights and obligations in and under this Contract, the Joint Operating Agreement and any other agreement relating to Petroleum Operations to such Affiliate."

References:

2006 Hydrocrabons law and Model PSC

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Equatorial_Guinea - RWI Index Questionnaire

Context

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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:

Tables 2.2.1 and 2.2.2 provide production volumes (quantity of barrels) for 2007 and 2008, including royalties paid in kind and share of production. The tables apparently show the final reconciliation of the payments in kind, based upon the information provided by all the oil companies involved.

References:

March 2010 EITI report (section 2.2 page 16). Section is titled "Reconciliation of data relating to payments in kind made by the oil sector companies with revenues received by the State General Treasury"

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

Comments:

No information on marketing of physical commodities is provided anywhere

References:

Not available.

Peer Review Comments:

The only information publicly available on the sales of physical commodities is on the total income generated by those. This information is released during the annual parliament debate on the national budget. No information is available on the volumes, quantities, nature of the sales.

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

Comments:

The Ministry of Finance, through the State General Treasury (TGE) is the agency responsible for the collection of payments from oil companies. The State General Treasury issues payments and draws revenue. All oil companies deposit their payments in the TGE accounts. The TGE is the governmental entity that keeps records of all payments whether of a tax or non-tax nature made by oil companies. A portion of these funds is kept at the Bank of Central African States (BEAC) and another portion is kept in local and foreign commercial banks.

References:














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Disclosure

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Indicator		Score	
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	0	
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	0	
2.2A	Quality of reports	0	
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	22	
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	4	
2.2B	Quality of reports	0	
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	N/A	
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	N/A	
2.2C	Quality of reports	N/A	
2.2D.020	Does the Central Bank publish information on revenue generation?	33	
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	0	
2.2D	Quality of reports	50	
2.2E.020	Does any other government agency or entity publish information on revenue generation?	11	
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	12	
2.2E	Quality of reports	17	
2.2	Public sector balance	0	

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.b: Production volumes

Score: A B C D E

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

However, see March 2010 EITI report (see chart on oil production, page 5).

2.2A.020.c: Information on prices

Score: A B C D E

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.d: Value of resource exports

Score: A B C D E

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

Discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

However, also see EITI report for March 2010 (graph 2, page 4).

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

Score: A B C D E

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on investments.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.f: Production costs**Score:** A B C **(D)** E**Comments:**

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

Discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.g: Names of companies operating in country**Score:** A B C **(D)** E**Comments:**

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

Discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

EITI March 2010 report has a section on companies (pages 8-10).

Peer Review Comments:

Data are only available for those years on which EG has reported under the EITI initiative. This doesn't mean that historical data on companies are available. The information available doesn't allow historical and comparative analysis over the years.

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

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

Discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

Discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.j3: Royalties

Score: A B C D E

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

Discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.j5: Dividends

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

EITI report for March 2010.

2.2A.020.j6: Bonuses

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.j7: License fees

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2A.020.j8: Acreage fees

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

Peer Review Comments:

EG doesn't publish periodical reports on revenue generation.

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:

The Ministry of Finance and Budgets (Ministerio de Hacienda y Presupuestos) does not have a functioning webpage and thus does not publish any information on revenues.

References:

There is no functioning website for the Ministry of Finance and Budgets, as confirmed in discussions with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

2.2B.020.a: Reserves

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

Comments:

The Ministry of Mines does not publish any information regarding reserves that is available publicly. See <http://www.equatorialoil.com/> However, BP Statistical Review of World Energy does provide information on reserves through 2008.

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.b: Production volumes

Score: A B C D E

References:

The Ministry of Mines publishes expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

2.2B.020.c: Information on prices

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue generation that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.d: Value of resource exports

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue generation that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue generation that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.f: Production costs

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue generation that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The Ministry of Mines website published the names of the companies currently operating in the country at <http://www.equatorialoil.com/activitymap.html>. Historical information can also be found at <http://www.equatorialoil.com/explorationhisto.html>.

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

Expected production volumes by field can be found at (<http://www.equatorialoil.com/oilproduction.html>). Some of the information seems to be fairly recent, as of 2011. However, please note that the production volumes are expected, not actual, figures. For instance, for the Ceiba Field, the website says "Oil production is expected to average 36,000 bpd in 2009."

References:

See the Ministry of Mines website at www.equatorialoil.com. Information confirmed in interviews with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue generation that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of

the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The Ministry of Mines does not publish any information regarding revenue streams that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue streams that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.j3: Royalties

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue streams that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The Ministry of Mines does not publish any information regarding revenue streams that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.j5: Dividends

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue streams that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.j6: Bonuses

Score: A B C D E

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2B.020.j7: License fees

Score: A B C D E

Comments:

For the 2006 licensing round promotion block, the Ministry published license fees on pages 3 and 4 of its licensing round data catalogue (see attachment). The Ministry of Mines has not published any other information regarding license fees.

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock

(World Bank) and Tutu Alicante (EG Justice).

2.2B.020.j8: Acreage fees

Score: A B C D E

Comments:

The Ministry of Mines does not publish any information regarding revenue streams that is available publicly. It does not publish any information regarding EG's petroleum sector other than the names of the companies operating in the country (<http://www.equatorialoil.com/activitymap.html>) and expected production volumes by field for the reporting year only (<http://www.equatorialoil.com/oilproduction.html>).

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

N/A

References:

N/A

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

Comments:

The Ministry of Mines does not publish reports on revenue generation.

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The Ministry of Mines does not publish any reports on revenue generation

References:

See the Ministry of Mines website at www.equatorialoil.com. Confirmed in interview with Hilda Harnock

(World Bank) and Tutu Alicante (EG Justice).

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

2.2C.020.a: Reserves

Score: A B C D E

References:

The Ministry of Mines is the regulatory agency.

2.2C.020.b: Production volumes

Score: A B C D E

References:

N/A

2.2C.020.c: Information on prices

Score: A B C D E

References:

N/A

2.2C.020.d: Value of resource exports

Score: A B C D E

References:

N/A

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

Score: A B C D E

References:

N/A

2.2C.020.f: Production costs

Score: A B C D E

References:

N/A

2.2C.020.g: Names of companies operating in country**Score:** A B C D E**References:**N/A

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

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

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:**N/A

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

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

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:

N/A

2.2C.020.j5: Dividends

Score: A B C D E

References:

N/A

2.2C.020.j6: Bonuses

Score: A B C D E

References:

N/A

2.2C.020.j7: License fees

Score: A B C D E

References:

N/A

2.2C.020.j8: Acreage fees

Score: A B C D E

References:

N/A

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

Score: A B C D E

References:

N/A

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

References:

N/A

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:**

N/A

2.2D.020 Does the Central Bank publish information on revenue generation?**2.2D.020.a: Reserves**Score: A B C **D** E**Comments:**

There is no information on the BEAC website for EG regarding petroleum reserves. Because EG is a member of the Economic and Monetary Community of Central Africa (CEMAC), and shares a common currency, the Central African CFA, with 5 other countries in the region, its monetary policy is governed by the community's central bank, the Bank of Central African States (BEAC). The BEAC publishes some very useful financial and economic data for EG, including figures on petroleum production by year (1995-2009), petroleum sector imports and exports (1998-2009), petroleum revenues (2002-2009), and petroleum sector growth rates (1994-2009). Figures are mainly provided in CFAs.

References:

The Central bank statistics website can be accessed at http://www.beac.int/index.php?option=com_jotloader&view=categories&cid=0_0d023467a673f0c2ef65d995f7477f4f&Itemid=69.

2.2D.020.b: Production volumesScore: **A** B C D E**Comments:**

The BEAC publishes some very useful financial and economic data for EG, including figures on petroleum production by year (1995-2009) in millions of tons as well as millions of barrels per day.

References:

See BEAC statistical report. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.c: Information on pricesScore: **A** B C D E**Comments:**

The BEAC publishes an annual statistical report that includes figures on prices by year (1995-2009) in CFAs and euros.

References:

See the BEAC website at <http://www.beac.int/>. Please also see BEAC statistical report attached.

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.d: Value of resource exports

Score: A B C D E

Comments:

The BEAC publishes some very useful financial and economic data for EG, including figures on exports (in millions of CFA) by year (1998-2009) in its balance of payments table for EG.

References:

BEAC balance of payments table for 2010 (see attached). Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on investment in exploration and development.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.f: Production costs

Score: A B C D E

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on production costs.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on companies operating in EG.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no production data by company.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on subsidies or social investments

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on production streams.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on government share in PSCs.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.j3: Royalties

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on royalties.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on special taxes.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.j5: Dividends

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on dividends.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.j6: Bonuses

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on bonuses.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.j7: License fees

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

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on license fees.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

2.2D.020.j8: Acreage fees

Score: A B C D E

Comments:

The BEAC publishes some very useful financial and economic data for EG, but no information on acreage fees.

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

No other information

References:

BEAC website at <http://www.beac.int/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

BEAC does not publish periodical reports for EG but its reports containing information mentioned previously is generally comprehensive and understandable.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). See also <http://www.beac.int/>.

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:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). See also <http://www.beac.int/>.

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

Comments:

This section assesses what is published in the EITI report from March 2010.

To note also that the General Directorate of Statistics has published some statistics on petroleum production and exports at <http://www.dgecnstat-ge.org/> (choose "Datos Estadísticos" from the menu on the left) but this information is only updated through 2003.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.b: Production volumes

Score: A B C D E

Comments:

The EITI report from March 2010 provides production volumes (barrels/day) from 2005 to 2008 (see chart on oil production, page 5).

Also, the General Directorate of Statistics has published some statistics on petroleum production and exports at <http://www.dgecnstat-ge.org/> (choose "Datos Estadísticos" from the menu on the left) but this information is only updated through 2003.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.c: Information on prices

Score: A B C D E

Comments:

Not published.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.d: Value of resource exports

Score: A B C D E

Comments:

The EITI report for March 2010 (graph 2, page 4) provides historical information on exports (for 2004-2008).

The General Directorate of Statistics has published some statistics on petroleum production and exports at <http://www.dgecnstat-ge.org/> (choose "Datos Estadísticos" from the menu on the left) but this information is only updated through 2003.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Score: A B C D E

Comments:

Not published.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.f: Production costs

Score: A B C D E

Comments:

Not published.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Score: A B C D E

Comments:

The EITI March 2010 report provides names of companies in section 3.2 on companies (pages 8-10).

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Score: A B C D E

Comments:

Not published.

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Score: A B C D E

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Score: A B C D E

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.j3: Royalties

Score: A B C D E

Comments:

EITI report from March 2010 provides information on royalties in cash and in kind received by Government in 2007 and 2008 (see information on pages 5-9 of section 2 of the report).

References:

<http://www.revenuewatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Comments:

EITI report provides information on corporate income tax, personal income tax for 2007 and 2008 (see pages 5-8 of section 2).

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.j5: Dividends

Score: A B C D E

Comments:

See chart on section 2, page 9 for information on dividends to SONAGAS (gas plants).

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.j6: Bonuses

Score: A B C D E

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.j7: License fees

Score: A B C D E

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

2.2E.020.j8: Acreage fees

Score: A B C D E

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Score: A B C D E

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Comments:

The only report of the EITI National Coordination office was published in March 2010 with information for 2007 and 2008 collected from the MOF's State General Treasury. The EITI report for EG is quite valuable, and provides useful information, although dated, including on oil production (page 5), exports (graph 2, page 3), and revenues from the hydrocarbon sector (including taxes and royalties) on page 13. The EITI report does not provide details on methodology or statistical techniques, but it does provide useful background information on the hydrocarbons industry in EG, the EITI national commission function and composition, the names of oil companies operating in the country, and an overview of progress towards EITI implementation (which the EITI board found to be insufficient).

The second part of the document is a reconciliation report prepared by Deloitte with data on flows of revenues received by the Ministry of Finance. Here the terms of reference are given and the methodology is explained. The reconciliation of data relating to cash payments made by oil companies with data from the State General Treasury is provided for 2007 and 2008 (sections 2.1 and 2.2), and payment flows (section 2.3) are reconciled.

There has not been a subsequent EITI report since March 2010. For that reason, the lowest score is marked.

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.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

Comments:

The only report of the EITI National Coordination office was published in March 2010 with information for 2007 and 2008 collected from the MOF's State General Treasury. Since EG was denied EITI validation in 2010, there has been no movement to publish a follow-up report and since Equatorial Guinea has been declared not compliant with the EITI process, the score reflects the historic data available and the fact that reports are no longer published.

References:

<http://www.revenuwatch.org/sites/default/files/Equatorial%20Guinea%202007-2008%20EITI%20Reconciliation%20Report.pdf>

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

Comments:

According to the researcher, it was unclear whether the government publishes GEPetrol's financial balance in reports to the legislature, although it is very unlikely.

References:

See the GEPetrol webpage at <http://www.guineaecuatorialpetrol.com/>. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

It is unclear whether the government publishes any information on spending by natural resource funds, although this is very unlikely.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A **(B)** C

Comments:

Aspects of EG's budget may be produced, but are not publicly available.

References:

Confirmed in interview with Tutu Alicante (EG Justice).

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Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	24 ■

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

Comments:

The Ministry of Finance, through the State General Treasury (TGE) is the agency responsible for the collection of payments from oil companies. The State General Treasury issues payments and draws revenue. All oil companies deposit their payments in the TGE accounts. The TGE is the governmental entity that keeps records of all payments whether of a tax or non-tax nature made by oil companies. A portion of these funds is kept at the Bank of Central African States (BEAC) and another portion is kept in local and foreign commercial banks.

References:

EITI March 2010 report, page 7. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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:

The Ministry of Finance, through the State General Treasury (TGE) is the agency responsible for the collection of payments from oil companies. The State General Treasury issues payments and draws revenue. All oil companies deposit their payments in the TGE accounts. The TGE is the governmental entity that keeps records of all payments whether of a tax or non-tax nature made by oil companies. A portion of these funds is kept at the Bank of Central African States (BEAC) and another portion is kept in local and foreign commercial banks. There is no information on these bank accounts that is publicly available.

References:

See March 2010 EITI report attached part 1, page 7. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

The country's 2006 Hydrocarbons Law lacks public disclosure provisions.

References:

See the 2006 Hydrocarbons Law. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

It's not clear whether any agency actually reviews or conducts audits over use and disbursement of resource revenues. However, there is an internal audit unit, the Office of Audits, that works with the Ministry of Mines, Ministry of Finance and foreign audit companies to audit the accounts of oil companies. According to the draft EITI validation report, there are internal governmental audit procedures, but these are mainly focused on expenditures rather than on revenues.

The Hydrocarbons Law (Article 9), which says that the Ministry of Mines itself is responsible for "auditing and enforcement of all Petroleum Operations and all activities relating thereto."

In addition, the Model PSC (article 16.2) requires that the petroleum costs accounts be certified by an external auditor and allow the Ministry to audit all books and accounts relating to petroleum operations and submit audit exceptions for a period of 3 years from the date such accounts are submitted." However, the procedures not clear.

As part of the EITI implementation process, Deloitte Conseil, an independent consultant, was selected to collect and compile the data provided in connection with the flows of revenue received by the State, on the one hand, and the flows of payments declared and disbursed by oil companies, on the other hand, for years 2007 and 2008. The EITI reconciliation report (March 2010) was drafted in accordance with the International Standards on Related Services (ISRS). However, Deloitte's work was not meant to be an audit or inspection.

References:

2006 Hydrocarbons Law and 2006 model PSC.

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

Comments:

According to the new constitution published in Feb 2012, the National Audit Court requires that entities responsible for managing the funds or assets of Equatorial Guinea should submit to the President and Parliament an annual report on the performance of their duties and certify their financial situation and the accounts of the State. To this end, GE Petrol and the Ministry of Mines should comply with this law and submit annual reports to the President and Parliament on their finances, although whether they do so is very much unclear. If audits do in fact take place, none have been made available to the public and there is no indication that legislature is informed of findings.

References:

Ley Fundamental de Guinea Ecuatorial, article 118, February 12, 2012.

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

Comments:

There is no reference to the Parliament's ability to audit Ministry of Mines or GEPetrol operations in any of the legislation. Even if the Parliament had this responsibility, because it is made up of 98% of members from the President's political party, the PGDE, its partisanship and independence would be questionable.

References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

Equatorial Guinea was accepted as an EITI Candidate country on 27 September 2007. However, because it did not meet the March 2010 validation deadline, it applied to extend their deadline. The EITI Board did not agree to grant Equatorial Guinea an extension and the country was suspended from the initiative. It however published a report in March 2010.

References:

See attached EITI report and letter. Information confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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Indicator	Score
3.1.1	Context 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:

The national state-owned oil company, GEPetrol, manages the country's interest stakes in various Production Sharing Contracts (PSCs) and joint ventures with oil companies partners. GEPetrol was established to improve the government's overall receipts through the negotiation of contracts, commercialization of royalties that are received in kind, and participation in production activities. GEPetrol works with the Ministry of Mines, Industry and Energy to coordinate the affairs of the petroleum sector. However, it is regulated by the Ministry of Mines, Industry and Energy, the regulatory and licensing authority for Equatorial Guinea.

References:

GEPetrol website at <http://www.guineaecuatorialpetrol.com/index.html>. Also, the GEPetrol page on the Ministry of Mines website: <http://www.equatorialoil.com/gepetrol.html>. Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

All indications are that GEPetrol is controlled and owned entirely by the government.

References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C

Comments:

Sociedad Nacional de Gas de Guinea Ecuatorial (SONAGAS, G.E.), the National Gas Company of Equatorial Guinea, was formed in January 2005

SONAGAS, G.E is responsible for the State's participation in all gas related projects in Equatorial Guinea.

References:

See Sonagas website <http://sonagas-ge.com/WEB/sonagas-index.html> as well as Sonagas subpage on

Ministry of Mines website: <http://www.equatorialoil.com/sonagas.html>

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Comments:

According to GE Petrol's mission statement, GE Petrol is supposed to contribute, through oil development, to eradicating poverty and promoting health and education. However, it's unclear whether funds have actually been spent on these quasi-fiscal activities.






References:

GE Petrol website: http://www.guineaecuatorialpetrol.com/e_lacompania.html

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Indicator		Score
3.2.1	Comprehensive reports	0 
3.2.2.038	Does the SOC publish information on revenue generation?	4 
3.2.3.038.j	Disaggregated Revenue Streams	0 
3.2.4	Quality of reports	0 
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

Comments:

GE Petrol does not publish any reports that are publicly accessible.

References:

Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C D E

Comments:

GE Petrol does not publish any information on reserves.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confimed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.b: Production volumes

Score: A B C D E

Comments:

GE Petrol does not publish any information on production volumes.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.c: Information on prices

Score: A B C D E

Comments:

GE Petrol does not publish any information on prices.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.d: Value of resource exports

Score: A B C D E

Comments:

GE Petrol does not publish any information on exports

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.e: Estimates of investment in exploration and development

Score: A B C D E

Comments:

GE Petrol does not publish any information on investments.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.f: Production costs

Score: A B C D E

Comments:

GE Petrol does not publish any information on production costs.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.g: Names of companies operating in country

Score: A B C D E

Comments:

GE Petrol publishes a brief chronology and history at the following site:
http://www.guineaecuatorialpetrol.com/e_historia.html which includes names of oil companies.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_historia.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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

Score: A B C D E

Comments:

GE Petrol does not publish any information on production data.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.2.038.i: Quasi fiscal activities

Score: A B C D E

Comments:

GE Petrol does not publish any information on quasi-fiscal activities, although on its mission statement it indicates that it contributes to poverty eradication (although it is not more specific).

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j Disaggregated Revenue Streams

3.2.3.038.j1: Production streams value

Score: A B C D E

Comments:

GE Petrol does not publish any information on production stream values.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j2: Government s share in PSC

Score: A B C D E

Comments:

GE Petrol does not publish any information on the government's share in the PSC.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j3: Royalties

Score: A B C D E

Comments:

GE Petrol does not publish any information on royalties.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j4: Special taxes

Score: A B C D E

Comments:

GE Petrol does not publish any information on special taxes.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j5: Dividends

Score: A B C D E

Comments:

GE Petrol does not publish any information on dividends

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j6: Bonuses

Score: A B C D E

Comments:

GE Petrol does not publish any information on bonuses.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j7: License fees

Score: A B C D E

Comments:

GE Petrol does not publish any information on license fees.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j8: Acreage fees

Score: A B C D E

Comments:

GE Petrol does not publish any information on acreage fees.

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

3.2.3.038.j9: Other (Describe below)

Score: A B C D E

Comments:

No other information

References:

GE Petrol website at http://www.guineaecuatorialpetrol.com/e_index.html. Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

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:

GE Petrol does not publish any reports

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Comments:

GE Petrol does not publish any reports

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Score: A B C

Comments:

GE Petrol does not publish any information on quasi-fiscal activities.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Comments:

GE Petrol does not publish any information on on its share of costs and revenues deriving from its equity participation in joint ventures

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Comments:

According to Tutu Alicante (EG Justice), GE Petrol is not audited according to internationally recognized auditing standards.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

3.2.5.043.b: Are SOC audited reports published?

Score: A B C D E

Comments:

According to Tutu Alicante (EG Justice), GE Petrol does not publish audits.


References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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Indicator	Score
3.3.1 Legal Framework and Practice	17 

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:

In Article 118 of the new constitution published on Feb 12, 2012 (see attached), the Audit Court requires that entities responsible for managing the funds or assets of Equatorial Guinea should, "submit to the President and Parliament an annual report on the performance of their duties and certify their financial situation and the accounts of the State." Since the Ministry of Mines is responsible for managing oil revenues in EG, under the new constitution, it should submit annual reports to the President and Parliament on its finances.

However, from speaking to Tutu Alicante of EG Justice, it is clear that the Constitution has not been shared with the people of EG, or even with many parliamentarians, so it's unclear whether this provision is being honored.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice).

See new EG constitution attached (ratified and published in Feb 2012).

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

Comments:

According to Tutu Alicante (EG Justice), GE Petrol is not audited according to internationally recognized auditing standards.

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Score: A B C

Comments:

GE Petrol does not produce audits

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Comments:

The country's 2006 Hydrocarbons Law also lacks public disclosure or conflict of interest provisions

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also see http://www.guineaecuatorialpetrol.com/e_index.html

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

Score: A B C

Comments:

GEPetrol website does not provide any information on the composition of its board of directors

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also visit http://www.guineaecuatorialpetrol.com/e_index.html

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

Score: A B C

Comments:

GEPetrol website does not provide any information on rules governing the decision making of its board of directors

References:

Confirmed in interview with Hilda Harnock (World Bank) and Tutu Alicante (EG Justice). Also visit http://www.guineaecuatorialpetrol.com/e_index.html

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