









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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:

Heritage and Stabilisation Fund Fund Act; Chap 70:09. Came into effect 15th March 2007. Ewart Williams (CBTT, Governor)at <http://www.bis.org/review/r070522d.pdf> :

"The Fund has two primary objectives.

Firstly, to insulate fiscal policy and the economy from swings in international oil and gas prices (let's call this the Stablisation Objective).

Secondly, to accumulate savings from the country's exhaustible assets of oil and gas for future generations."

References:

Ministry of Legal Affairs :

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/70.09.pdf

<http://www.bis.org/review/r070522d.pdf>

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

Score: A B C D E

Comments:

<http://www.news.gov.tt/E-Gazette/Gazette%202011/Gazette/Gazette%20No.%2062%20of%202011.pdf>

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References:



The Heritage and Stabilisation Fund is administered by a Board of Governors, five in total, two of which are from the Ministry of Finance. The selection of Governors, their tenure and responsibility is governed

by the Act; Chap 70:09.

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Indicator		Score
4.2.1	Comprehensive reports	100 
4.2.2.056	Audited reports	100 

4.2.1 Comprehensive reports

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

Score: A B C

Comments:

Deposits and withdrawals are governed by the Act.

Deposits are : monies leftover from the Interim Revenue Stablisation Fund; petroleum revenues deposited in accordance with s 13 Chap 70:09 and assets acquired and earned from investments.

S 13 directs the Minister (of Finance) to make deposits to the HSF when actual petroluem revenues are in excess of estimate petroleum revenues by at least 10%, this should be done for every quarter of the government's fiscal year. The Minister is directed to deposit no less than 60% of the aggregate excess for the government's fiscal year.

The Act identifies 'estimate petroleum revenue' and 'quarter'.

Withdrawals are governed by s 15, Chap 70:09. Withdrawals are allowed where estimated petroleum revenue is at least 10% less than actual petroleum revenue - over the entire fiscal year. In such a case the Minister may withdraw the lesser of either 60% of the estimated revenue, or 25% of the balance standing to the credit of the Fund at the beginning of that year.

The monies are to be deposited to the Consolidated Fund within forty-eight hours of withdrawal.

References:

Deposits and withdrawals are governed by the Act. See link to the Act previously published.

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:

The Board of Governors are required to submit a quarterly report to the Minister of Finance (s20, Chap 70:09). These quarterly reports are published at the Ministry of Finance's website.

References:

Ministry of Finance website

<http://www.finance.gov.tt/content/HSF%20Report.pdf>

<http://www.finance.gov.tt/publications.php?mid=203>

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

Score: (A) B C D E

References:

Ministry of Finance Website

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:

The Board is required to submit quarterly and annual investment reports to the Minister of Finance. The Minister may also request a report outside of these reporting requirements, and the Board is required to comply within one month of receiving the request - s 20 of Chap 70:09.

References:

The Ministry of Finance's website contains quarterly reports

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?

Score: (A) B C D E

Comments:

The Fund is a public account, and so subject to audit by the Auditor General, or any body selected by the Auditor General for that purpose (s 16 Chap 70:09). The Auditor General is an office created by the Constitution of the Republic of Trinidad and Tobago and granted the authority to audit government accounts (<http://www.auditorgeneral.gov.tt/applicationloader.asp?app=articles&id=159>)

References:

HSF Act - linked previously.

Auditor General website :

<http://www.auditorgeneral.gov.tt/applicationloader.asp?app=articles&id=159>

4.2.2.056b: Are the audited financial reports published?

Score: (A) B C

Comments:

The HSF Annual Reports contain a Report by the Auditor General, stating that the Annual Report 2010 was audited and is a fair statement of the financial position of the HSF. The Report contains a note on sections 13, 14 of the Act which deals with deposits. The Note states that the provisions are broad and

open for interpretation.

References:


The Annual Reports :

<http://www.finance.gov.tt/legislation.php?mid=20>

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Indicator	Score
4.3.1 Legal Framework and Practice	95 

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:

Deposits are governed by sections 13, 14 of the Act.

The last published annual report for the HSF was audited by the Auditor General (HSF Annual Report 2010). The Report noted sections 13 and 14 were broad and open to interpretation.

References:

The Act - previously linked.

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:

From the Auditor General's Report it appears that there has been some inconsistency in the interpretation of the legislation governing deposits to the HSF. The Report does not identify exactly what the inconsistencies are, just notes that the sections governing deposits are broad and subject to interpretation.

References:

The Act (previously linked) and the HSF Annual Report 2010 - Ministry of Finance website.

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

Score: A B C

Comments:

S 15 of Chap 70:09 governs withdrawals.

References:

The Act - previously linked.

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:**

There is no indication that the GORTT has not followed the Rules of the Fund.

References:

Ministry of Finance

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:**

The Act governs withdrawals. The Minister is obligated to lay an annual report before Parliament outlining the Fund's performance s 21 Chap 70:09.

Withdrawals are to be in the manner outlined at s 113-115 of the Constitution - namely by laying an Appropriation or Supplementary Appropriation Bill before Parliament.

References:

The Act - previously linked.

Address by Ewart Williams, Central Bank Governor and HSF Board Member :

<http://www.bis.org/review/r080514d.pdf>

GORTT Constitution, s113 :

<http://www.ttparliament.org/documents/1048.pdf>

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:**

S 19 of Chap 70:09 requires Board Members to disclose any direct or indirect pecuniary business interests with any corporate body which has business involving the HSF. Failure to disclose is an offence, punishable by TTD500,000 fine and 2 years imprisonment.

References:

The Act - previously linked

Central Bank Governor's address - previously linked <http://www.bis.org/review/r080514d.pdf>

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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:

Trinidad and Tobago's governance structure is divided into central government and local governments.

The country is configured into fifteen subnational entities namely: a Tobago Island Council officially titled the Tobago House of Assembly, and fourteen municipalities in Trinidad comprised of two cities, three boroughs and nine regional corporations.

The central government provided 82.5% of the funding expended by the corporations.

The Regional Corporations that were also authorized to generate income solely from fees depended on Central Government for 98% of their funding.

However, there is no provision of funding related to extraction. All fees from petroleum revenues are collected centrally. The local government bodies are funded depending on their annual budget estimates being approved by Budgets Division of the Ministry of Finance. The Ministry of Finance places these aggregate needs before Parliament in its annual Budget presentation.

There is no separation of resource revenue upon collection by GORTT. All revenue is collected and appropriated for spending based on stated need; there is no resource revenue separation.

References:

No.IDB-DP-133, October 2010

<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35401127>

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

Score: A B **(C)**

Comments:

See previous.

References:

See previous

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Indicator	Score
5.2.1	Disclosure

5.2.1 Disclosure

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

Score: A B **C**

Comments:

See previous

References:

See previous

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**

Comments:

See previous

References:

See previous

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**

Comments:

See first indicator in section

References:

See first indicator in section

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:

There are no revenue sharing agreements between central and local government.

References:

See first indicator in section

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

Score: A B **C**

Comments:

There are no petroleum revenue transfers between central and local government.

References:

See first indicator

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Indicator		Score
5.3.1	Legal Framework and Practice	N/A

5.3.1 Legal Framework and Practice

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

Score: A B **C**

References:

Sub-national governments, or local governments, are created by statute as regional corporations. There are no petroleum revenue sharing agreements.

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

Score: A B C D **E**

References:

There is no such legislation.

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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:

While the State reserves all mineral rights to itself, lands sold prior to 1904 were sold without any State reservation of mineral rights.

<http://sta.uwi.edu/conferences/11/landtenure/documents/GeraldLewisMineralRightsinTrinidadandTobago.pdf>

The Petroleum Act, Chap 62:01 recognises private and public petroleum rights :

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/62.01.pdf

Background informaton:

From the CIA World Factbook, updated Nov. 20, 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/td.html>

"Growth had been fueled by investments in liquefied natural gas, petrochemicals, and steel. Additional petrochemical, aluminum, and plastics projects are in various stages of planning. Trinidad and Tobago is the leading Caribbean producer of oil and gas, and its economy is heavily dependent upon these resources but it also supplies manufactured goods, notably food products and beverages, as well as cement to the Caribbean region. Oil and gas account for about 40% of GDP and 80% of exports, but only 5% of employment."

From the US Energy Information Administration, updated May 1, 2012

"Trinidad and Tobago is the largest exporter of liquefied natural gas to the United States, and the fifth largest in the world....In the early 1990s, the hydrocarbon sector in Trinidad and Tobago transitioned from being oil dominant to a predominantly natural gas-based sector. Natural gas production currently accounts for just over 85 percent of the country's natural resource base."

References:

s1(2) of the Constitution of the Republic of Trinidad and Tobago (Act 4 of 1976) :

1.(2) Trinidad and Tobago shall comprise the Island of Trinidad, the Island of Tobago and any territories that immediately before the 31st day of August 1962 were dependencies of Trinidad and Tobago, including the seabed and subsoil situated beneath the territorial sea and the continental shelf of Trinidad and Tobago ("territorial sea" and "continental shelf" here having the same meaning as in the Territorial Sea Act and the Continent Shelf Act. respectively), together with such other areas as may be declared

by Act to form part of the territory of Trinidad and Tobago.

<http://www.ttparliament.org/documents/1048.pdf>

Peer Review Comments:

In 2000, the Registration of Titles to Land Act, the Land Tribunal Act and the Land Adjudication Act were all passed in the Trinidad and Tobago Parliament. However, to date, the legislation has not been implemented.

This package of legislation aimed to regularize and register all lands, create a system to hear appeals from decisions by the Land Registrar and create an updated computerized land registry.

The legislation will help simplify, modernize and streamline the current land administration regime.

Examples of benefits from the legislation are clear.

For private landowners, the land tribunal would take charge of dispute resolution for competing claims where a will was never probated in court.

For Government and the private sector, the legislation will help in land use planning, environmental management and protection, determining taxation policy and identifying individual claims to parcels of land which may possess hydrocarbons etc.

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

Score: A B C D E

Comments:

S9 of Chap. 62:01 states that the Minister grants licenses in accordance with the Act and Regulations :

"9. (1) Where the Minister, after considering any objections, decides to grant a licence, he shall grant the licence in accordance with this Act and the Regulations and upon such terms and conditions as he considers appropriate.

(2) Upon granting a licence the Minister shall as soon as possible cause notice thereof to be published in the Gazette, stating the name of the licensee, the general nature of the licence and the location of the area concerned."

References:

The Ministry of Energy and Energy Affairs grants leases and licenses for exploration and production.

http://www.energy.gov.tt/about_us.php?mid=78

Processes are further explained at :

http://www.ttconnect.gov.tt/gortt/portal/ttconnect!/ut/p/c1/04_SB8K8xLLM9MSSzPy8xBz9CP0os3jvQCMDU09LYwN3y1BDA6OgQEc_cy9PYwNLc6B8JJK8f5C7G1De1dTQwzvM2MDAgIDu4NQ8_XCQnbhVgcxAkc diB0jeAAawNND388jPTdWP1I8yx2WLv5-xfmROanpicqV-QW5EhWeWSSgAPUaLOQ!!/dl2/d1/L0IJSkIna21BL0IKakFBQ3IBQkVSQ0pBISEvWUZOQTFOSTUwLTVGd0EhIS83X0tRMjA1STkzMEc5VTEwMIJRQU43SkkzT04zLzlrX19fMjA!/?WCM_PORTLET=PC_7_KQ205I930G9U102RQAN7JI3ON3_WCM&WCM_GLOBAL_CONTEXT=http://wcmp rodhttp.ttconnect.gov.tt/gortt/wcm/connect/GorTT Web Content/ttconnect/business/role/aninvestor/permitslicensesandregistrations/applying+for+a+lease+for+exploration+and+production

1.1.003: What licensing practices does the government commonly follow?

Score: A B C D E

Comments:

Onshore, shallow water and deep water exploration licenses are subject to competitive bidding.

Persons may apply for licenses either by invitation (to bid) or uninvited - Petroleum Act.

The licenses available are varied : Exploration, Exploration and Production etc. The Petroleum Act (http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/62.01.pdf) allows for application for a license to the Minister. There is also a procedure for competitive bidding for licenses where the area has been designated as subject to competitive bidding. The system for license application is mixed - plain application in accordance with the Act and Regulations, or special application through competitive bidding.

References:

For Source 3, the Ministry of Energy's website : http://www.energy.gov.tt/business_and_investing.php?mid=169

For Source 1, the latest link on competitive bids was used : <http://www.energy-pedia.com/news/trinidad/new-148590>

Also :

<http://www.energy-pedia.com/news/general/centrica-awarded-exploration-license>

1.1.004: What is the fiscal system for mineral resources?

Score: A B C **D** E

Comments:

The petroleum industry is integral to the national economy. According to the Central Bank 2011 Annual Economic Survey , the energy sector accounted for 45.3% of GDP and 57.5% of government revenues. Oil and gas accounted for over 80 percent of exports.

Trinidad and Tobago applies a complex tax regime to petroleum production, which makes use of a number of fiscal instruments. The tax regimes that apply to oil and gas are different, though both are based on production and income taxes. Under these regimes, oil and gas activities are characterized as either exploration or production, refining, or marketing operations. The profits of each type of business are taxed separately under the tax law. For example, for oil extraction, production-based receipts consist of: royalties, a petroleum production levy, and a small petroleum impost. Income-based taxes consist of: a petroleum profit tax, an unemployment tax, a supplemental petroleum tax levied on crude oil sales (less certain allowances) at a sliding rate that varies with the price of oil, the time the development license was granted, and the time production began. For gas production, companies are liable to pay royalties at a rate negotiated with the government. Companies also pay the corporate income tax at the standard rate of 35 percent on profits and the petroleum impost. (See pg. 10-12 of IMF Working Paper linked above)

Following the IMF Paper, changes to the fiscal regime are as follows : http://www.energy.gov.tt/business_and_investing.php?mid=159

A new petroleum fiscal regime was approved and subsequently implemented by the Finance Act 13 of 2010. The new fiscal regime introduced initiatives that sought to improve this country's competitiveness and attractiveness to potential investors, both locally and globally. In achieving these objectives, emphasis was placed on the competitive bid process, the terms and conditions of the contractual arrangements to be offered under future competitive bid rounds as well as the incentives offered under the concessionary (tax/royalty) arrangements. Details of the 2010 fiscal initiatives are outlined below under the following headings:

- The Competitive Bidding Process
- Production Sharing Contract – Form, Terms and Conditions
- Tax/Royalty Arrangement – Supplemental Profits Tax Amendment
- Sub-Licence Arrangement

A. The Competitive Bidding Process

Administratively, a new competitive bid process was designed to provide for simplicity and a shorter

time-frame between the start of the bid process and the signing of the contract. A major feature of the process is the reduction of biddable items to two items, namely the work programmes and Government's Share of Profit Petroleum. Under the new process companies are able to self-assess their work programmes, while the Government's Share of Profit Petroleum which is a more competitive item is assessed by the Technical Evaluation Committee.

A new requirement of the process is the prequalification of companies to determine not only their financial and technical competencies but most importantly, their status as a potential Operator for the acreage. This will ensure that the most suitable and efficient companies are selected to operate this country's acreage.

Another feature that has been introduced is the nomination of acreages by companies. This feature provides an opportunity for companies to indicate the acreages they wish to be considered for inclusion into the upcoming competitive bid rounds. The Ministry of Energy and Energy Affairs still reserves the right to decide on the final acreage that would be offered under any competitive bid round.

It is planned that the entire process from the official announcement of the competitive bid round to the signing of the contract should take no more than nine months.

B. Production Sharing Contract – Form, Terms and Conditions

A more conventional-styled PSC similar in some aspects to the 1995/1996 Competitive Bid Round has replaced the 2006 Taxable PSC. This new form PSC is designed to treat with risks and encourage investment in shallow water-depths (less than 400 metres); average water depths (of more than 400 to 1000 metres) and deep-water (depths greater than 1000 metres) acreage.

Under the 2010 PSC model, the GORTT's Share of Profit Petroleum is required to satisfy the Contractor's liability for Petroleum Profits Tax, Unemployment Levy, Supplemental Petroleum Tax, Royalty, Oil Impost, Petroleum Production Levy and Green Fund. The exceptions are Withholding Taxes and Stamp Duty which must be paid directly by the Contractor. Legislative changes were made to the Petroleum Taxes Act to give effect to this form of production sharing contract. A major feature of the PSC is that it provides fiscal stability to the companies.

Like the 1995/1996 PSC, the matrices for the Government's Share of Profit Petroleum are open for bidding by the companies. Further to this, the price bands and production bands for these matrices are reflective of the expected pricing and cost environments. The windfall feature, first introduced under the taxable production sharing contract, is retained.

Some other features of the model PSC include as follows:

1. Ringfenced (Non-consolidation)

Like the 1995/1996 models, these new PSCs do not provide for consolidation. As such costs and expenses incurred are recoverable from the given production sharing contract; no consolidation of accounts between contracts or licences will be allowed. This departs from the Taxable PSC that provided for some limited consolidation.

2. Carried Participation

A Carried Participation for the State of not more than 20% is a feature of the shallow water-depth acreage (400 metres and less) only. At this time carried participation is not considered for the average and deep water-depths acreage. This measure forms part of Government's overall policy for broadening accessibility to its resources and as an avenue for expanding capability and capacity within the state sector.

3. Financial Obligations

Many of the financial obligations of the PSC are no longer biddable items and are clearly fixed and stated in the contract. By so doing, this has removed the upfront risk to investors and improved the project economics. Additionally, this allows focus to be placed on the two key areas - the work programmes and sharing of profit petroleum.

Payment of signature bonuses remains a feature of the shallow and average water depth acreage. However for the deep water acreage, signature bonuses will only be required in the event that two or more companies achieve equal points at the end of the bid process.

4. Cost Recovery

Cost recovery limits were fixed at 50%, 55% & 60% for shallow, average and deep water-depth acreages, respectively in the 2010 Competitive Bid Round. However for the 2012 Deep-water Competitive Bid Round the cost recovery limit for the deep is increased to 80%. In earlier production sharing contracts, these limits were biddable items.

5. Additional Incentives

Given the cost and risks involved in exploring in average-water depths and deep water environments, additional incentives were provided to increase the attractiveness of these areas. For tax purposes only, firstly, the definition of deep water acreages was amended to include areas that are located in depths of more than 400 metres and secondly, a Petroleum Profit Tax rate of 35% was introduced specifically for the deep water acreage.

It should be noted that an uplift of 40% in computing capital allowances was granted for capital expenditures on exploration activities in respect of deep water.

C. Tax/Royalty Arrangements - Supplemental Petroleum Tax

With respect to the concessionary arrangements, emphasis was placed on those areas and activities where incentives for revitalization and sustainability were required, such as in the small offshore oil acreages, mature acreages both offshore and on land as well as where enhanced oil recovery projects are undertaken. The incentives geared specifically to encourage investment in crude oil production, directly impact the Supplemental Petroleum Tax that will be payable by companies. In so doing, it will provide companies with additional cash flows for re-investment in the upstream sector.

The Supplemental Petroleum Tax is regarded as a windfall tax that is charged on gross income from the disposal of crude oil less royalty and over-riding royalty.

Under the new SPT regime, the classification of differing rates for pre and post 1988 was maintained for marine operations. However with respect to land produced crudes, due to several joint arrangements, new entrants and the new licences that were granted to Petrotrin in 2007, this concept was no longer relevant. Consideration was also taken of the prevailing cost environment in which the companies operate.

As such, the new schedule of rates was simplified accordingly as follows:

- i. At crude oil prices at US\$50.00/bbl and below, the SPT rate is set at zero percent;
- ii. At crude oil prices above \$US50/bbl and up to \$US90/bbl, a fixed SPT rate is charged;
- iii. At crude oil prices above \$US90/bbl and up to \$200/bbl a formula-based sliding scale is applied; and thereafter
- iv. At prices above US\$200/bbl, the SPT rates are capped for Marine (pre 1988) at 64%; Marine (post 1988) at 55% and for Land and Deepwater operations at 40%.

References:

IMF Working Paper, WP/05/197, at :www.imf.org
<http://www.finance.gov.tt/legislation.php?mid=20>

Current fiscal measures :

http://www.energy.gov.tt/business_and_investing.php?mid=159

Background information:

Central Bank 2011 Annual Economic Survey, p. 10

http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey_0.pdf

(According to the Central Bank, the energy sector makes up 45.3% of GDP, 57.5% of government revenues, and 82.3% of exports in the first half of 2011. Figures were similar for 2010.)

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

Score: A B C D E

Comments:

The Ministry of Energy and Energy Affairs is the regulatory agency.

References:

http://www.energy.gov.tt/about_us.php?mid=78

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Indicator	Score
1.2.006 Information on licensing process	84 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	75 
1.2 Access to information and legislation	67 

1.2.006 Information on licensing process

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

Score: A B C D E

References:

http://www.energy.gov.tt/business_and_investing.php?mid=169

Petroleum Act, Chap 62:01 and Petroleum Regulations

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

Score: A B C D E

Comments:

The government announces successful bidders, identified by acreage/interest awarded and location (block). There is little publicly available information beyond this - possibly due to the limited number of bids received : http://www.trinidadexpress.com/business-magazine/Lowering_the_exploration_risk-135141583.html

References:

Ministry of Energy Website :

http://www.energy.gov.tt/business_and_investing.php?mid=169

Media :

http://www.trinidadexpress.com/news/Dookeran__Oil__gas_bids_coming_in_-102680934.html

http://www.trinidadexpress.com/business-magazine/Lowering_the_exploration_risk-135141583.html

<http://www.petroleumworld.com/storyt11072601.htm>

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:

Model Contracts are published at the Ministry's website however, there are no actual contracts published on the site.

References:

See : http://www.energy.gov.tt/business_and_investing.php?mid=169

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:

A Certificate of Environmental Clearance is required for all exploration and mining activities (oil and gas). The environmental impact assessment is a precondition to the granting of a CEC.

From Cindy Chandool. "Oil and Gas and the Environment in Trinidad and Tobago: Experience and Challenges." p.1:

"Before the year 2000, environmental impacts within the energy sector and the oil and gas industry in particular were not addressed in a formal, holistic manner but instead companies were required to conduct such assessments at the MEEA's or the company's discretion. In the year 2001, the Certificate of Environmental Clearance (CEC) was started as subsidiary legislation under the Environmental Management (EM) Act, 2000 which is implemented by the Environmental Management Authority (EMA). This process was intended to ensure that environmental concerns were included in the country's development; the oil and gas sector being just one of the areas covered by this legislation. Environmental impact assessment (EIA) is one of the tools used within the CEC process to identify and assess the environmental impacts of the energy sector."

References:

Environmental Management Act, Certificate of Environmental Activities Order 2001, 2008 :

http://www.ema.co.tt/cms/index.php?option=com_content&task=view&id=63&Itemid=66

http://www.ema.co.tt/cms/index.php?option=com_content&task=view&id=63&Itemid=66

Cindy Chandool. "Oil and Gas and the Environment in Trinidad and Tobago: Experience and Challenges." p.1.

<http://www.iaia.org/conferences/iaia11/uploadedpapers/final%20drafts/Oil%20and%20Gas%20and%20the%20Environment%20in%20Trinidad%20and%20Tobago.pdf>

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:

EIAs are made public through notification in the daily newspapers - with a time period set for comments from the public.

A failure to obtain public consultation however, is no bar to a successful CEC - see Deen-Armourer J in PURE v AG (2007) at <http://www.ecolegal2001.com/trinisupremecourt/TRINIDAD%20CASES.pdf>

References:

http://www.ema.co.tt/cms/index.php?option=com_content&task=view&id=121&Itemid=122

<http://www.iaia.org/conferences/iaia11/uploadedpapers/final%20drafts/Oil%20and%20Gas%20and%20the%20Environment%20in%20Trinidad%20and%20Tobago.pdf>

<http://www.ecolegal2001.com/trinisupremecourt/TRINIDAD%20CASES.pdf>

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

Score: A (B) C

Comments:

The Environmental Management Authority (EMA) may request an EIA after receiving a CEC.

The EIA is a more in depth document which may take into account social impact - see pg 5/21at http://www.oas.org/cdcm_train/courses/course1/Chapter%2010-%20EIAs.pdf

References:

The Environmental Impact Assessment (EIA) allows for consideration of the impact of any proposed activity on a given area :

http://www.ema.co.tt/cms/index.php?option=com_content&task=view&id=121&Itemid=122

<http://www.iaia.org/conferences/iaia11/uploadedpapers/final%20drafts/Oil%20and%20Gas%20and%20the%20Environment%20in%20Trinidad%20and%20Tobago.pdf>

http://www.oas.org/cdcm_train/courses/course1/Chapter%2010-%20EIAs.pdf

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

Score: (A) B C D E

References:

http://www.ema.co.tt/cms/index.php?option=com_content&task=view&id=121&Itemid=122

Environmental impact assessments may contain social impact assessments.

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

References:

Oil and Gas Contracts by Heidi Wong (Ministry of Energy Trinidad) :

<http://www.tteiti.org.tt/capacity-building/inaugural-capacity-building-workshop-event-downloads/>

See sources for question 4.

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:

There is a freedom of information act which governs the State and State entities. Energy industries, however, take the form of branches or privately owned companies and so they are not subject to any laws requiring disclosure to the public.

References:

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/22.02.pdf

Peer Review Comments:

While the country has adopted no rule or legislation on disclosure for state enterprises, there are avenues/channels where information on operations, expenditure and revenue can be accessed.

For example, the financial statements of key state enterprises are available publically online. It is also important to note that these statements are independently verified. The link provides the financial statements for the national oil company Petrotrin, one of the country's major state enterprises:


<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	60 

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

References:

The authority is the Ministry of Energy and it acts to award licenses and regulate the use of such licenses :

http://www.energy.gov.tt/business_and_investing.php?mid=159

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 Ministry's website lists prequalification criteria for competitive bidding rounds.

References:

Ministry of Energy ;

http://www.energy.gov.tt/business_and_investing.php?mid=169

Also :

<http://energy.gov.tt/content/169.pdf>

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 Petroleum Regulations (Competitive Bidding) No.2 Order 2010 grants the Minister a standard power to reject or accept any or all bids - s4(4).

The legislation itself does not provide much guidance on the acceptance of bids.

Largely, the Order requires adherence to form and allows for evaluation on the basis of the Model

Production Sharing Contract (clause 6(b) of Order) and a Points Evaluation System, contained at Schedule 6 to the Order.

The process appears to be that bidders are selected for the award of contracts, and then the terms of those contracts are negotiated further between the government and the bidding Company.

References:

S4(4) of Chap 62 : 01 :

<http://energy.gov.tt/content/168.pdf>

Also :

http://www.trinidadexpress.com/business/Energy_Ministry_selects_oil_gas_exploration_bidders-111016269.html

<http://www.guardian.co.tt/business/2012-01-26/ministers-row-over-cheap-natural-gas>

Peer Review Comments:

A recent example of the discretionary powers granted to the Minister to negotiate directly with bidding companies was evident with the block 5 d contract award to BG Trinidad and Tobago.

http://www.trinidadexpress.com/news/Govt_accepts_BG_proposal-144124135.html

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:

Competitive Bidding Rounds must be approved by Cabinet :

http://www.trinidadexpress.com/business/Energy_ministry_to_launch_deep-water_bidding-148409335.html

For example: this is a Model PSC

<http://www.energy.gov.tt/content/ModelPSCDeep.pdf>

Members of Parliament (House of Representatives and Senate) may ask questions in Parliament, these questions should be specific and must be answered, in some way, before the House.

This is a form of compliance but it is not regular.

References:

TT Parliament website :

http://www.ttparliament.org/order_papers/os20120327.pdf

<http://www.guardian.co.tt/business/2012-01-26/ministers-row-over-cheap-natural-gas>

http://www.trinidadexpress.com/business/Energy_ministry_to_launch_deep-water_bidding-148409335.html

Peer Review Comments:

The Ministry of the Attorney General is also responsible for drafting the final production sharing contract (PSC) between Government and winning bidder while the Cabinet approves the final PSC. During the process Cabinet must sign off on the competitive bid order as well as the approval of assessment of bids.

1.3.015: Is there a due process to appeal licensing decisions?**Score:** A B C**Comments:**

There is no indication of an appeal process upon notification of an unsuccessful bid with the exception of s33 of the Petroleum Act which grants certain powers to the Minister i.e to revoke or vary licenses or publish information.

The 2012 notice on Deepwater Bids, however, has indicated that Government is moving toward a more transparent process : http://www.energy.gov.tt/business_and_investing.php?mid=169

The change in process has not been identified.

References:

Petroleum Act, Chap 62:01 :

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/62.01.pdf

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?**Score:** A B C**References:**

There is no requirement :

http://www.energy.gov.tt/business_and_investing.php?mid=169

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Context

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Indicator	Score
2.1	Context
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:

The government receives Profit Petroleum under production sharing contracts, however the profit petroleum is paid in cash instead of kind - pg13/38 WTR/TPR/S/151.

References:

IMF Working Paper WP/05/197

WTO Report : WT/TPR/S/151

TTParliament.org

Ministry of Finance website

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:

The National Gas Company undertakes sales of natural gas to the domestic market (downstream industries).

The Government, through NGC, owns a stake in Atlantic LNG which engages in export of liquified natural gas.

References:

http://www.energy.gov.tt/energy_resources.php?mid=113

<http://www.insideview.com/directory/the-national-gas-company-of-trinidad-and-tobago-limited>

<http://www.atlanticlng.com/about-us/our-governance/>

Peer Review Comments:

The National Petroleum Marketing Company (NP) is also responsible for distributing and marketing petroleum derivatives such as treatments, fuel etc. locally and regionally. The National Petroleum

Company (Petrotrin) runs the country's oil refinery which produces the petroleum derivatives. Information on the volume of refinery sales and oil exports are available at http://www.energy.gov.tt/data_and_publications.php?mid=114

The annual Review of the Economy budget document highlights the different markets these products are distributed to. Appendices 7,8,9 and 27 are of particular importance. See appendices in the following link <http://www.finance.gov.tt/content/Review-of-the-Economy-2011.pdf>

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D **E**

Comments:

The tax regulatory agency - Board of Inland Revenue, receives taxes paid out from petroleum revenue.

Royalty and other payments are received by the Permanent Secretary, Ministry of Energy.

References:













Ministry of Finance Review of the Economy

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Trinidad_and_Tobago - RWI Index Questionnaire

Disclosure

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Indicator		Score	
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	88	
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	88	
2.2A	Quality of reports	33	
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	83	
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	22	
2.2B	Quality of reports	84	
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?	71	
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	38	
2.2D	Quality of reports	84	
2.2E.020	Does any other government agency or entity publish information on revenue generation?	73	
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	67	
2.2E	Quality of reports	N/A	
2.2	Public sector balance	78	

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:

From 2011 Review, pg 19 of 80:

The latest Ryder Scott Audit released in August 2011, estimated Trinidad and Tobago's existing reserves and resources at 53,075 billion cubic feet. Trinidad and Tobago possesses 13,460 billion cubic feet of proved gas reserves;

7,642 billion cubic feet of probable reserves and 5,995 billion cubic feet of possible reserves. These represent shares of 49.7 percent, 28.2 percent, 22.1 percent respectively, of total unrisksed gas reserves. The audit also identified 25,978 billion cubic feet of exploration resources. Based on total natural gas production during 2010 of 1,472 billion cubic feet, the country's proven and probable gas reserves as at December 31, 2010, is equivalent to approximately 14.3 years of production.

References:

Ministry of Finance website :

<http://www.finance.gov.tt/content/Review-of-the-Economy-2011.pdf>

2.2A.020.b: Production volumes

Score: (A) B C D E

Comments:

For Natural Gas, the Review states at pg 18 of 80:

Over the period, Trinidad and Tobago produced 33,034 million cubic metres of gas, as compared to 33,782 million cubic metres in the comparative period of fiscal 2010.

The use made of the natural gas is further itemised at pg 18 of 80 :

Atlantic LNG utilised approximately 15,731 million cubic metres, or 47.6 percent of the total natural gas produced during the first nine months of fiscal 2011. This marked a 1.3 percent reduction from the 15,938 million cubic metres used in the first nine months of fiscal 2010. Between fiscal 2010 and fiscal 2011, natural gas utilisation as a fuel for industrial plants increased by 3.6 percent. However, the use of natural gas for the production of natural gas liquids, as feedstock/processed gas for petrochemical plants, and for gas re-injection, decreased by 2.9 percent, 3.3 percent and 42.9 percent respectively, over the previous comparative period.

References:

Review of the Economy 2011, linked previously.

2.2A.020.c: Information on prices

Score: (A) B C D E

Comments:

The review of the economy lists Henry Hub pricing and variations in that pricing throughout the year.

Pg 19 of 80 :

The monthly average Henry Hub price of natural gas increased steadily from US\$3.43 per thousand cubic feet to US\$4.49 per thousand cubic feet between October 2010 and January 2011, as colder winter temperatures increased demand in the United States. With the subsequent seasonal weather variations and fluctuating supply/demand conditions in the US domestic natural gas market, the price declined thereafter to US\$3.97 in March 2011, followed by a steady recovery in the next three months, with the price rising to US\$4.54 per thousand cubic feet in June 2011 and then easing slightly to US\$4.42 per thousand cubic feet in July 2011. These price fluctuations resulted in an average Henry Hub price of US\$4.15 per thousand cubic feet during the first ten months of fiscal 2011, 10 percent below the average of US\$4.61 per thousand cubic feet recorded in the previous corresponding period.

References:

Review of the Economy 2011 - linked previously

2.2A.020.d: Value of resource exports

Score: (A) B C D E

Comments:

Information on resource exports of liquified natural gas is contained at pg 19 of 80 as follows :

Trinidad and Tobago's LNG exports totalled 574.8 trillion British Thermal Units (BT U) during the October 2010 to June 2011 period, 1.2 percent below the 581.9 trillion BTU exported over the same period one year earlier.

In the 2010/2011 period, Trinidad and Tobago exported 22.0 percent of its LNG to the United States, down from 27.2 percent in the previous comparative period (Figure 3).

As a consequence, 36.8 percent of all US LNG imports came from Trinidad and Tobago, during the first nine months of fiscal 2011.

LNG exports to Spain accounted for 17.9 percent of Trinidad and Tobago's total LNG exports in the 2010/2011 period, a slight decline from Spain's 19.6 percent share in the first nine months of fiscal 2010. The importance of Argentina and South Korea as export markets increased in the current fiscal period, with Argentina's share more than doubling to 10.2 percent, from 4.7 percent in the previous period, and South Korea similarly increasing its share, from 3.8 percent to 9.4 percent. In contrast, Canada's share declined to 5.3 percent, from 8.2 percent, whilst that of the United Kingdom more than halved to 4.6 percent, from 11.6 percent one year earlier.

References:

Primary Source - Review of the Economy 2011

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

Score: (A) B C D E

Comments:

The Review of the Economy 2011 identifies development and exploratory drilling; however it does not contain a value for government costs.

Pg 17 of 80 :

A total of 56 wells were drilled during the first nine months of fiscal 2011, marking a 166.7 percent increase from the 21 wells drilled in the previous corresponding period. All 56 wells drilled were for development, reflecting a 194.7 percent increase from the nineteen (19) development wells drilled during October 2009 to June 2010.

The Ministry of Planning, through publications on the MoF website identifies public spending for investment.

References:

Ministry of Finance website :

1.Review of the Economy 2011

2. Ministry of Planning Public Sector Investment Program <http://www.finance.gov.tt/content/Public-Sector-Investment-Programme-2012.pdf>

3.Ministry of Planning State Enterprises Investment Program <http://www.finance.gov.tt/content/State-Enterprises-Investment-Programme-2012.pdf>

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

The Review does not contain a clear statement on production costs, however, the cost of lost days to both BPTT and BHP Billiton was acknowledged at pg 18 of 80 :

Disruptions to natural gas production at BPTT on account of ongoing safety upgrades and maintenance work at the company's production facilities, and the temporary halting of production activity by BHP Billiton for planned upgrade works, contributed to a 2.2 percent decline in natural gas production during the first nine months of the fiscal year.

References:

Review of the Economy 2011

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

There is no list at the Ministry of Finance's website of companies operating out of Trinidad and Tobago. The Companies Registry, at the Ministry of Legal Affairs will, however, contain a listing of all companies registered in Trinidad and Tobago.

References:

Review of the Economy 2011

Peer Review Comments:

The Companies Registry and business association member companies is where complete lists of companies operating in the country will be found.

For example, The Energy Chamber website provides a comprehensive list of companies operating in the energy sector, however these companies are service companies and do not include some of the major operator companies. See <http://stcic.org/ftpcontractorsdb/cdbstart.php>

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

The review identifies production data by category.

References:

Review of the Economy 2011

Peer Review Comments:

The Ministry of Energy provides more comprehensive data on production of oil, natural gas and petrochemicals through its bulletins which are available online at http://www.energy.gov.tt/data_and_publications.php?mid=114

There is a link to the Ministry of Energy website on the Ministry of Finance website.

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

There is no identification of subsidies or social investments paid by mineral revenue within the Ministry of Finance Review of the Economy 2011. However the Ministry of Planning's publications are also hosted at the MoF website and there are publications with statements on social investment paid by energy revenue :

<http://www.finance.gov.tt/content/Public-Sector-Investment-Programme-2012.pdf>

<http://www.finance.gov.tt/content/State-Enterprises-Investment-Programme-2012.pdf>

References:

The Ministry of Public Administration administers scholarships paid through production sharing contracts :

http://www.scholarships.gov.tt/news_and_events.aspx?id=110

Peer Review Comments:

Information on the country's fuel subsidy is also available in the revenues and expenditure budget document available on the Ministry of Finance's website.

<http://www.finance.gov.tt/content/Draft-Estimates-2012---Expenditure.pdf> See Pages 240-246

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

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

Review of the Economy 2011

2.2A.020.j2: Government s share in PSCScore: A B C D E**Comments:**

The government's share of profits in production sharing contracts is listed for 2010 as TTD\$900million at pg 33 of 89.

References:

Ministry of Finance website. Estimates of Revenue 2012 :

<http://www.finance.gov.tt/content/Estimates-2012---Revenue.pdf>

2.2A.020.j3: RoyaltiesScore: A B C D E**Comments:**

Royalties are listed at amounts actually received in 2010 and revised estimates for 2011.

References:

Ministry of Finance website - draft revenue for 2012.

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:

Actual amounts are listed for 2010, with revised estimates for 2011.

References:

Ministry of Finance website, draft estimates for revenue 2012.

2.2A.020.j5: Dividends

Score: (A) B C D E

Comments:

Amounts received from State Enterprises are listed.

References:

Ministry of Finance Draft Estimates for 2012.

2.2A.020.j6: Bonuses

Score: (A) B C D E

Comments:

Signature bonuses for competitive bidding under Chap 62:01 are listed as providing no revenue for 2010 but there is an estimate for 2011,2012 and revised estimate for 2011. 2009 is an actual sum.

There is also a heading for production bonus but no listed revenue, actual, estimate or revised estimate.

References:

Ministry of Finance Draft Estimates of Revenue 2012

2.2A.020.j7: License fees

Score: (A) B C D E

References:

Ministry of Finance Draft Estimates for Revenue 2012 pgs 38 and 20 of 89

2.2A.020.j8: Acreage fees

Score: A B C (D) E

Comments:

Acreage fees may be included in the production sharing contracts. There is no separate information

identifying acreage fees.

References:

http://www.energy.gov.tt/energy_resources.php?mid=132

No information on acreage fees

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

Score: A B C D E

Comments:

No other information found.

References:

Ministry of Finance website

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?

Score: A B C D E

References:

Ministry of Finance website - Draft Estimates and Review of the Economy must be read together. This makes understanding more difficult than it should be.

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

References:

Ministry of Finance website - publications

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

References:

Ministry of Energy commissioned audit of acreage :

<http://www.newspaper.com.tt/businessday/0,153230.html>

http://www.energy.gov.tt/energy_industry.php?mid=31

http://www.energy.gov.tt/content/Consolidated_Monthly_Bulletins_March_2012.pdf

http://www.energy.gov.tt/media_centre.php?mid=98&eid=82

2.2B.020.b: Production volumes

Score: (A) B C D E

Comments:

Daily average Natural gas Production from 2002-2011 is listed on the Ministry's website under the heading 'Natural Gas Production.'

References:

Natural gas Production :

http://www.energy.gov.tt/data_and_publications.php?mid=64

Consolidated Bulletin :

http://www.energy.gov.tt/content/Consolidated_Bulletins_February_2012.pdf

Peer Review Comments:

Production volumes for methanol, ammonia, crude oil and natural gasoline are also available from the Ministry of Energy's consolidated bulletins and these volumes are also available from the link provided above.

2.2B.020.c: Information on prices

Score: (A) B C D E

Comments:

International Pricing Mechanism - Henry Hub Pricing

Ministry of Energy Paper (David Small, Director of Policy and Performance, 2005)

<http://www.igu.org/html/wgc2006/pdf/paper/add10639.pdf> :

"Commencing in 1988, the NGC moved to a system of indexed gas pricing, to companies in the petrochemical sector. With the price of gas, a main cost component, tied to product price, producers are better able to ride out periods of unfavourable market conditions. With the petrochemical markets enjoying one of the longest periods of sustained high prices (3 yrs+) both the NGC and its customers have been enjoying record profits!"

References:

<http://www.energy.gov.tt/content/191.pdf>

Peer Review Comments:

The Central Bank and the Energy Chamber teamed up to produce the Energy Commodity Price Index (ECPI) and the Ministry of Energy also contributes to the index.

The ECPI is a summary measure of the price movement of Trinidad and Tobago's top ten energy-based commodity exports, weighted by each commodity's relative share of its value. The commodities and their weights are: US natural gas (40.0%); Oil (16.6%); Ammonia (11.8%); Methanol (9.4%); Diesel (7.0%); Motor gasoline (4.3%); Natural gasoline (3.5%); Jet fuel (2.7%); Propane (2.4%); and Urea (2.3%).

The ECPI is available in the latest Monetary Policy Report see http://www.central-bank.org.tt/sites/default/files/Monetary%20Policy%20Report%20April%202012_1.pdf Page 49

2.2B.020.d: Value of resource exports

Score: A B C D E

Comments:

Reported at Consolidated Monthly Bulletins issued annually.

References:

http://www.energy.gov.tt/content/Consolidated_Bulletins_February_2012.pdf

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

Score: A B C D E

Comments:

Some investment information is available on the Ministry website.

References:

<http://www.reuters.com/article/2011/08/10/trinidad-natgas-idUSN1E7791D920110810>

http://www.energy.gov.tt/energy_industry.php?mid=143

http://www.energy.gov.tt/energy_industry.php?mid=116

2.2B.020.f: Production costs

Score: A B C D E

References:

Ministry of Energy website

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

Score: A B C D E

Comments:

Information by company is also available in the consolidated monthly bulletins (http://www.energy.gov.tt/content/Consolidated_Monthly_Bulletins_May_2012.pdf)

References:

http://www.energy.gov.tt/data_and_publications.php?mid=64

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

Score: A B C D E

References:

http://www.energy.gov.tt/data_and_publications.php?mid=64

Consolidated Monthly Bulletins
(http://www.energy.gov.tt/content/Consolidated_Monthly_Bulletins_May_2012.pdf)

Peer Review Comments:

The Ministry of Energy also provides a breakdown of oil, natural gas and petrochemical production in its industry bulletin http://www.energy.gov.tt/data_and_publications.php?mid=114

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

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

Comments:

The Ministry of Energy does not publish this information. Monies received for scholarships under production sharing agreements are administered by the Ministry of Public Administration.

Additionally, it appears that pricing under contracts may act as an informal subsidy : <http://www.guardian.co.tt/business/2012-01-26/ministers-row-over-cheap-natural-gas>.

The regularity of this practice seems to depend on Minister's discretion and Cabinet approval. In the instance highlighted here it appears that Cabinet may occasionally regulate the pricing of contracts.

References:

The Ministry of Public Administration publishes information on scholarships paid through production sharing contracts but the information is only information of available scholarships :

http://www.scholarships.gov.tt/news_and_events.aspx?id=110

The domestic fuel subsidy is reported on :

<http://www.news.gov.tt/index.php?news=8899>

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:

Consolidated Monthly Bulletins

References:

http://www.energy.gov.tt/content/Consolidated_Bulletins_February_2012.pdf

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

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

Comments:

The information mainly comprises minimal statements in press releases. The Mof publishes that information though.

References:

<http://www.guardian.co.tt/business-guardian/2011/04/28/energy-companies-lining-explore-trinidad>

http://www.energy.gov.tt/energy_industry.php?mid=119

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

The Ministry of Energy website provides information on royalty rates, the names of companies that pay royalties, and how royalties are calculated. The actual amount of royalty payments is not included.

References:

Ministry of Energy website :

http://www.energy.gov.tt/business_and_investing.php?mid=57

Peer Review Comments:

The Ministry of Finance's Draft Estimates of Revenue and Expenditure reveal royalty payments from the oil and gas sector. <http://www.finance.gov.tt/publications.php?mid=191>

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:**

http://www.energy.gov.tt/business_and_investing.php?mid=159 :

"Royalty rates vary from company to company. With respect to crude oil, the rate ranges from 10% to 12.5% of the Field Storage Values."

" The Petroleum Profits Tax:

The Petroleum Profits Tax (PPT) is applicable to all oil and gas producers as well as refinery operators and is applied to the net profits (chargeable income) from operations. The net profit is derived by deducting from the gross income all operating expenses, capital allowances and other allowable deductions. The deductions for oil and gas producers include royalties, Supplemental Petroleum Tax, Petroleum Levy/Impost, decommissioning/abandonment costs and management fees paid to non-resident companies (limited to 2% of expenses). Other special allowances are granted for dry holes, work-overs, qualifying sidetracks, heavy oil as well as signature and production bonuses. The current applicable tax rate charged on producers as well as refinery operators is 50% (reduced to 35% from income year 2011 for deep water operations only) , Over the years, changes have been effected to the PPT as market conditions require."

References:

Ministry of Energy website :

http://www.energy.gov.tt/business_and_investing.php?mid=57

http://www.energy.gov.tt/business_and_investing.php?mid=159

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

This information is published by the Ministry of Finance.

References:

Ministry of Energy website

2.2B.020.j6: Bonuses

Score: A B C D E

References:

Ministry of Energy website

2.2B.020.j7: License fees

Score: A B C D E

Comments:

There is no actual publication of amounts collected at MoE's website. This information is published on the MoF's website though.

References:

Ministry of Energy website :

http://www.energy.gov.tt/business_and_investing.php?mid=57

http://www.energy.gov.tt/business_and_investing.php?mid=159

2.2B.020.j8: Acreage fees

Score: A B C D E

References:

http://www.energy.gov.tt/energy_resources.php?mid=132

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

Score: A B C D E

References:

Ministry of Energy website

2.2B Quality of reports

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

Score: A B C D E

References:

Ministry of Energy website :

http://www.energy.gov.tt/content/Consolidated_Bulletins_February_2012.pdf

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

Score: A B C D E

References:

Ministry of Energy website :

http://www.energy.gov.tt/content/Consolidated_Bulletins_February_2012.pdf

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

2.2C.020.a: Reserves

Score: A B C D E

Comments:

There is no separate regulatory agency.

References:

N/A

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 costsScore: A B C D E**References:**

N/A

2.2C.020.g: Names of companies operating in countryScore: A B C D E**References:**

N/A

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

N/A

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

N/A

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

N/A

2.2C.020.j3: RoyaltiesScore: 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: DividendsScore: A B C D E**References:**

N/A

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

N/A

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

N/A

2.2C.020.j8: Acreage feesScore: 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:

Royalties and their contribution to GDP are included in the bank's Annual Economic Survey.

References:

http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey_0.pdf

2.2D.020.b: Production volumes

Score: A B C D E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.c: Information on prices

Score: A B C D E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.d: Value of resource exports

Score: (A) B C D E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

Score: A B C (D) E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.f: Production costs

Score: A B C (D) E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

Score: A B C D (E)

Comments:

The Central Bank's Annual Economic Survey includes some information on companies operating in the country, but does not include a full list.

References:

http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey_0.pdf

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

Score: (A) B C D E

Comments:

Pg 19 - natural gas production for BPTT, EOG, BG, BHP and others.

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

Score: A B C D (E)

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

2.2D.020.j1: Production streams valueScore: A B C D E**References:**<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.j2: Government s share in PSCScore: A B C D E**Comments:**

Information on Energy revenue is published as a block : pg 33 Economic Survey 2011

References:<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

At pg 35 :

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

At pg 35 :

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.j5: DividendsScore: A B C D E**References:**<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.j6: BonusesScore: A B C D E**Comments:**

Could be contained within the 'energy sector' block revenue identified by CBTT

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.j7: License fees

Score: A B C D E

Comments:

Could be included within block 'energy revenue'.

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D.020.j8: Acreage fees

Score: A B C D E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

Score: A B C D E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?

Score: A B C D E

References:

<http://www.central-bank.org.tt/sites/default/files/2011%20Annual%20Economic%20Survey.pdf>

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

Comments:

The bank publishes information on production, pricing, etc in its semi-annual report.

References:

<http://www.central-bank.org.tt/content/annual-publications>

<http://www.central-bank.org.tt/content/semi-annual-publications>

Peer Review Comments:

The Central Bank publishes its data on revenue generation at least semi-annually through its economic bulletin and more importantly through its thorough monetary policy report <http://www.central-bank.org.tt/content/semi-annual-publications>

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:

Invest TnT - a limited liability company incorporated by the Ministry of Trade publishes information on the economy however, this information originates from the Ministry of Finance, Central Bank, Ministry of Energy etc.

References:

<http://www.investtnt.com/>

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.b: Production volumes

Score: A B C D E

References:

<http://www.cso.gov.tt/statistics/statistics/-in-statistics/statistics/national-accounts>

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.c: Information on prices

Score: A B C D E

References:

<http://www.cso.gov.tt/statistics/statistics/-in-statistics/statistics/national-accounts>

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

<http://www.cso.gov.tt/statistics/statistics/-in-statistics/statistics/national-accounts>

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

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

Score: A B C D E

References:

<http://www.cso.gov.tt/statistics/statistics/-in-statistics/statistics/national-accounts>

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.f: Production costs

Score: A B C D E

References:

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

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

Score: A B C D E

References:

Companies may be searched at the Companies Registry (Ministry of Legal Affaris, POS)

http://www.legalaffairs.gov.tt/registrar/companies_registry.htm

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

Score: A B C D E

References:

<http://www.cso.gov.tt/statistics/statistics/-in-statistics/statistics/national-accounts>

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

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

Score: A B C D E

References:

<http://www.cso.gov.tt/statistics/statistics/-in-statistics/statistics/national-accounts>

<http://www.investtnt.com/resources/2011-Investment-Guide.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

Comments:

The non-profit, privately-funded Cropper Foundation publishes this information. (http://thecropperfoundation.org/About_us_profile.html). Their sources include industry publications, as well as government sources already mentioned.

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

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

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.j3: Royalties

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.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:

The Cropper Foundation publishes details on the taxation system.

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.j5: Dividends

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.j6: Bonuses

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.j7: License fees

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

2.2E.020.j8: Acreage fees

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.pdf>

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

Score: A B C D E

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.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

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.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:

There is no other government entity or regulatory body tasked with collecting information on revenue collection etc. The only other relevant body is the Central Statistical Office (CSO) the mandate of which is not specific to energy revenue :

<http://www.cso.gov.tt/home>

References:

http://thecropperfoundation.org/sdn/documents/Final_Guide.pdf

<http://www.investtnt.com/resources/2011-Investment-Guide.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

References:

Ministry of Finance and NGC websites

<http://www.finance.gov.tt/content/Review-of-the-Economy-2011.pdf>

<http://www.finance.gov.tt/content/Draft%20Estimates%20-%20Statutory%20Boards%202011.pdf>

Peer Review Comments:

This is often the case with the other major state energy enterprises, the National Petroleum Company (Petrotrin) and the National Petroleum Marketing Company Limited. These companies publish their balance seperately. See <http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm> and <http://www.np.co.tt/#>

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

Score: **A** B C D E

References:

Ministry of Finance Reports

<http://www.finance.gov.tt/content/Review-of-the-Economy-2011.pdf>

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

Score: **A** B C

Comments:

<http://www.finance.gov.tt/content/Budget-Statement-2012.pdf>

Pg 30 of 33 :

"Mr. Speaker, our fiscal 2012 budget calculation was based on an oil price of US \$75 per barrel and a gas price of US \$2.75 per mmbtu. We have estimated a real GDP growth of 1.7 percent and an average inflation rate of 7 percent. The total revenue is projected at \$47 billion comprising \$18.1 billion from the energy sector and \$28.9 billion from the non energy sector. Total expenditure is projected at \$54.6 billion resulting in a fiscal deficit of \$7.6 billion or 4.89 percent of our GDP. The debt to GDP ratio remains sustainable and well within international benchmarks."

References:

Ministry of Finance Review of the Economy, Budget Statement

<http://www.finance.gov.tt/content/Budget-Statement-2012.pdf>

<http://www.finance.gov.tt/content/Draft%20Estimates%20-%20Statutory%20Boards%202011.pdf>


<http://www.finance.gov.tt/content/Review-of-the-Economy-2011.pdf>

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Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	86 

2.3 Legal Framework and Practices

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

Score: A B C D E

Comments:

Taxes are collected by the Board of Inland Revenue.

The Permanent Secretary of the Ministry of Energy is empowered to receive payment of non-tax revenue - royalties; license fees etc.

Additionally, monies paid out by State Enterprises are paid into the Consolidated Fund.

References:

Ministry of Finance website

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:

All revenue is collected via legislation; all monies collected via legislation are paid into the Consolidated Fund.

References:

http://www.energy.gov.tt/business_and_investing.php?mid=159

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:

Disclosure is required under the Integrity in Public Life Act, Chap 22:01

References:

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/22.01.pdf

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:

The Auditor General is granted responsibility over the auditing of public accounts - s 116 of the Constitution. By virtue of the Audit and Exchequer Act, however, the Auditor General may delegate its audit function to any similarly competent body.

References:

GORTT Constitution, s116 :

<http://www.ttparliament.org/documents/1048.pdf>

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:

The Consitution requires the Auditor General to report annually on audited reports. This annual report is to be presented to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance.

The report is then to be laid before both Houses of Parliament.

References:

S 116 of GORTT Constitution :

<http://www.ttparliament.org/documents/1048.pdf>

Peer Review Comments:

The Office of the Auditor General publishes the public accounts of Trinidad and Tobago, treasury statements, deposit accounts, appropriation accounts and statements of receipts as well as an annual auditor general's report. These documents can be viewed at <http://www.auditorgeneral.gov.tt/>

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:

Public Accounts Committee and Public Accounts (Enterprises) Committee are required to hear reports. The time period is not stated. Presumably, the Committees may call upon reports at will. The Minister of Finance, however, is expected to present an annual statement before Parliament.

References:

Constitution of GORTT s 119 :

<http://www.ttparliament.org/documents/1048.pdf>

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

Score: A B C D E

Comments:

From TTEITI website :

The GORTT submitted its application for EITI membership to the EITI International Secretariat in Oslo, Norway, on February 4, 2011, and the EITI Board of Directors on March 1, 2011, admitted Trinidad and Tobago to membership with EITI Candidate Country status.

Trinidad and Tobago has now started the implementation stage of the EITI process and has been given a target date by the EITI Board of Directors of 28th August 2013 (revised from 1 March 2013) to achieve Compliant County status, the highest level of EITI membership. That involves putting in place over two and a half years all the necessary legal and administrative systems in compliance with the EITI Rules and Criteria and the passing of a stringent independent Validation Test set by the EITI International Secretariat and Board.

References:

<http://www.tteiti.org.tt/>

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Indicator	Score
3.1.1 Context	100 ■

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:

GORTT has 3 fully owned State Enterprises (Energy - Oil and Gas) :

1. Petroleum Company of Trinidad and Tobago Limited
2. The National Gas Company of Trinidad and Tobago Limited
3. Trinidad and Tobago National Petroleum Marketing Company Limited

(<http://www.finance.gov.tt/content/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>)

Foreign companies dominate natural gas production with three companies (BP, British Gas, and EOG Resources) accounting for more than 90 percent of output. (IMF Country Report 11/73)

A significant volume of the natural gas produced is sold to the state owned National Gas Company (NGC) under long-term contracts that contain pass-through arrangements. (IMF Working Paper WP/05/197)

References:

Ministry of Finance Website - State Enterprises Monitoring Manual :

<http://www.finance.gov.tt/content/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

IMF Country Report, March 2011 and IMF Working Paper WP/05/197 :

www.imf.org

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

Score: A B C D E

Comments:

Government owns the SOCs in both oil and gas. There is also government interest in joint ventures - Atlantic LNG, and ownership through its SOC - Phoenix Park Gas Processors Ltd. The ownership is a mix of the A) and C) options.

References:

Ministry of Finance State Enterprises Monitoring Manual

<http://www.finance.gov.tt/content/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?**Score:** (A) B C**Comments:**

Oil - Petrotrin and NP.

Gas - NGC

References:

Ministry of Finance, and Energy websites.

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:**

NGC may provide funds for social investment, however this is not part of its stated business activities and therefore falls within the corporate social responsibility realm.






References:http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf**Peer Review Comments:**

The National Petroleum Company (petrotrin) and the National Petroleum Marketing Company (NP) also provide funds for social investment projects as part of their corporate social responsibility commitments.

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Indicator		Score	
3.2.1	Comprehensive reports	100	
3.2.2.038	Does the SOC publish information on revenue generation?	63	
3.2.3.038.j	Disaggregated Revenue Streams	50	
3.2.4	Quality of reports	55	
3.2.5.043	Audited reports	84	

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:

NGC is a company incorporated under the Companies Act of Trinidad and Tobago. Although privately owned - GORTT is the sole shareholder - and a state enterprise, the Act still requires annual publication.

Publication has moved from annual reports pre-2008 to publication of summaries or condensed consolidated reports (post-2008)

References:

NGC's website :

<http://www.ngc.co.tt/Media/publications.htm>

[http://www.ngc.co.tt/Docs/Promotions/NGC%20Corporate%20Brochure%20\(Web\).pdf](http://www.ngc.co.tt/Docs/Promotions/NGC%20Corporate%20Brochure%20(Web).pdf)

Peer Review Comments:

The National Petroleum Marketing Company and the National Petroleum Company (Petrorin) also publish comprehensive reports on subsidiaries and operations via their websites. However, more in-depth information on the companies' accounts can be requested from the Ministry of Finance.

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C D E

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Petrotrin:

<http://www.petrotrin.com/Petrotrin2007/FSConsolidated2011.pdf>

Peer Review Comments:

The National Petroleum Company (Petrotrin) also publishes this information

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

However, there are questions on whether its reserves estimates are dated and as a result an oil audit to be completed by December 2012 will attempt to provide a more up to date estimation of the company's reserves base.

3.2.2.038.b: Production volumes

Score: A B C D E

Comments:

Some information on production volumes in NGC's quarterly "GASCO News" (see for example p. 16)

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

<http://www.ngc.co.tt/Docs/Publications/GASCO%20Web%20Oct2011.pdf>

Peer Review Comments:

The National Petroleum Company (Petrotrin) also publishes this information

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

Also the production data on Petrotrin and its subsidiary Trinmar is available in the consolidated section of the Ministry of Energy and Energy Affairs website.

http://www.energy.gov.tt/data_and_publications.php?mid=114

3.2.2.038.c: Information on prices

Score: A B C D E

References:

NGC website - energy commodity price index is used

3.2.2.038.d: Value of resource exports

Score: A B C D E

Comments:

Reported as share of profits or dividends. Not reported separately.

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.2.038.e: Estimates of investment in exploration and development

Score: (A) B C D E

Comments:

Some information in NGC's 'GASCO News.'

References:

http://www.trinidadexpress.com/business-magazine/Time_for_T_T_to_invest_in_global_energy-144498865.html

<http://www.ngc.co.tt/Docs/Publications/GASCO%20Web%20Oct2011.pdf>

Peer Review Comments:

The National Petroleum Company (Petrotrin) announces its plans for exploration and production annually at the Trinidad and Tobago Energy Conference (www.ttenergyconference.org) and there are also documented cases in the media where the company divulges its E&P spending. (http://www.trinidadexpress.com/business-magazine/The_State_s__4_billion_debt_to_Petrotrin-131115808.html)

3.2.2.038.f: Production costs

Score: (A) B C D E

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Peer Review Comments:

For the National Petroleum Company there are also documented cases in the media where the company divulges its E&P spending on particular acreage. For the example the company revealed its planned investment in its Trinmar assets http://www.trinidadexpress.com/business-magazine/The_State_s__4_billion_debt_to_Petrotrin-131115808.html

3.2.2.038.g: Names of companies operating in country

Score: A B C (D) E

References:

NGC website :

<http://www.ngc.co.tt/media-centre/press-releases/>

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

Score: A B C (D) E

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.2.038.i: Quasi fiscal activities**Score:** A B C D E**Comments:**

NGC is not involved in quasi-fiscal activities.

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.3.038.j Disaggregated Revenue Streams**3.2.3.038.j1: Production streams value****Score:** A B C D E**References:**

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.3.038.j2: Government s share in PSC**Score:** A B C D E**Comments:**

Production sharing contracts only refer to exploration and drilling arrangements. NGC operates the purchase, sale and transmission of natural gas. PSCs would normally be Master Agreements between GORTT and the drilling/exploring company.

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.3.038.j3: Royalties**Score:** A B C D E**Comments:**

NGC is not a receiver of revenue for GORTT and so has no information on royalties.

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.3.038.j4: Special taxes**Score:** A B C D E

Comments:

NGC is not a receiver of revenue for GORTT and only publishes information on its own tax payments.

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.3.038.j5: Dividends

Score: (A) B C D E

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Peer Review Comments:

NGC indirectly pays out dividends to shareholders in NEL as the company offers shares from its LNG and natural gas liquids businesses to NEL shareholders. It is important to note that NEL is an amalgamation of telecom company TSTT, Tringen - a petrochemical company/plant as well as the NGC assets, and the performance of NEL stock is affected by the annual performance of all these companies.

http://www.stockex.co.tt/controller.php?action=view_stock_charts&StockCode=111

3.2.3.038.j6: Bonuses

Score: A B C D (E)

Comments:

NGC is not a receiver of revenue for GORTT and has no information on bonuses.

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

3.2.3.038.j7: License fees

Score: A B C (D) E

Comments:

NGC is not a receiver of revenue for GORTT.

See pg 70 - 77 <http://www.petrotrin.com/Petrotrin2007/FSConsolidated2011.pdf>

If license fees are paid on farm out arrangements those fees are not specified by report but lumped in as receivables

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Peer Review Comments:

The National Petroleum Company Petrotrin receives license fees for its onshore acreage which is leased or farmed out to prospective companies.

<http://www.petrotrin.com/Petrotrin2007/JVPartners.htm>

3.2.3.038.j8: Acreage fees

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

Comments:

Acreage fees may be included within PSCs, however there is no separate statement on collected acreage fees by any department of government.

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Peer Review Comments:

The National Petroleum Company Petrotrin receives acreage fees for its onshore acreage which is leased or farmed out to prospective companies.

<http://www.petrotrin.com/Petrotrin2007/JVPartners.htm>

There are also acreage fees for the company's IPSCs (incremental production sharing contracts).

3.2.3.038.j9: Other (Describe below)

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

Comments:

NGC operates downstream. It buys, transmits and sells gas. The revenue charges laid to NGC are different from those applicable to companies which actually drill and produce oil and gas.

References:

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

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

References:

NGC Consolidated reports :

<http://www.ngc.co.tt/business-centre/financial-performance/>

Peer Review Comments:

The other energy state enterprises such as the National Petroleum Company (Petrotrin) and the National Petroleum Marketing Company also publish reports lacking explanation, references or comparisons and there is no historical reference point or technical guiding narrative to these reports.

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

<http://www.np.co.tt/np-article.php?c=11&sc=576&a=279>

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

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

References:

NGC does Annual Consolidated Reports :

<http://www.ngc.co.tt/business-centre/financial-performance/>

Peer Review Comments:

The National Petroleum Company (Petrotrin) and the National Petroleum Marketing Company also publish their reports annually. .

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

<http://www.np.co.tt/np-article.php?c=11&sc=576&a=279>

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

Score: A B C

Comments:

NGC is not authorised to engage in any quasi fiscal activities.

References:

<http://www.ngc.co.tt/business-centre/financial-performance/>

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

Score: A B C

References:

NGC Annual Consolidated Reports :

<http://www.ngc.co.tt/business-centre/financial-performance/>

Peer Review Comments:

The National Petroleum Company (Petrotrin) share of costs and revenues deriving from its equity participation is available by request from the Ministry of Energy and Energy Affairs and some data can also be gleaned online at www.energy.gov.tt

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:

Ernst & Young is the external auditor.

References:

NGC Summary of Consolidated Financial Statements 2010 :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Peer Review Comments:

The National Petroleum Company's (Petrotrin) annual audits are conducted by an independent external auditor. KPMG is the company's external auditor.

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

<http://www.petrotrin.com/Petrotrin2007/FSConsolidated2010.pdf>

3.2.5.043.b: Are SOC audited reports published?

Score: A B C D E

References:

NGC website :

http://www.ngc.co.tt/Docs/Media%20Releases/11-NGC-641_Financials_2011.pdf

Peer Review Comments:

The National Petroleum Company's (Petrotrin) also publishes its annual audited reports.

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

<http://www.petrotrin.com/Petrotrin2007/FSConsolidated2010.pdf>

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Indicator	Score
3.3.1 Legal Framework and Practice	67

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:

There is no legal obligation for a State Enterprise to publish its annual reports however, GORTT has imposed an obligation to publish (pg 20 of 51 of the State Enterprises Monitoring Manual <http://www.finance.gov.tt/content/pub0DCE11.pdf>)

References:

Ministry of Finance, State Enterprises Performance Monitoring Manual :

<http://www.finance.gov.tt/content/pub0DCE11.pdf>

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

References:

NGC website :

<http://www.ngc.co.tt/business-centre/financial-performance/>

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

Score: A B C

References:

<http://www.ngc.co.tt/business-centre/financial-performance/>

Peer Review Comments:

The National Petroleum Company's (Petrotrin) annual audits include details on its refinery and exploration and production operations/subsidiaries.

<http://www.petrotrin.com/Petrotrin2007/AnnualReports.htm>

<http://www.petrotrin.com/Petrotrin2007/FSConsolidated2010.pdf>

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

Score: (A) B C

References:

Integrity in Public Life Act, sections 11,12,14,29

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/22.01.pdf
Sections 11, 12, 29 and Schedule 1

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

Score: (A) B C

References:

NGC website :

<http://www.ngc.co.tt/about-ngc/governance/board-of-directors/>

Peer Review Comments:

The National Petroleum Company also publishes information on the composition of its board

<http://www.petrotrin.com/Petrotrin2007/PetrotrinBoard2011.htm>

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:

The Guidelines are not extensive, however they do contain principles on what is expected from a Board Member or officer at a State Enterprise. The more extensive guidelines would stem from the needs of the particular State Enterprise and as communicated to the officer.

References:

Government guidelines are contained at the Ministry of Finance State Enterprises Monitoring Guidelines :

<http://www.finance.gov.tt/content/pub0DCE11.pdf>

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