











# RWI Index Questionnaire: Venezuela, RB 2012

<b>Category I</b>	<b>Access to Resources</b>		
1.1	Context		
1.2	Disclosure	50	
1.3	Legal Framework and Practices	28	
<b>Category II</b>	<b>Revenue Generation and Collection</b>		
2.1	Context		
2.2	Disclosure	51	
2.3	Legal Framework and Practices	52	
<b>Category III</b>	<b>State Owned Companies</b>		
3.1	Context		
3.2	Disclosure	88	
3.3	Legal Framework and Practice	100	
<b>Category IV</b>	<b>Natural Resource Funds</b>		
4.1	Context		
4.2	Disclosure	60	
4.3	Legal Framework and Practice	50	
<b>Category V</b>	<b>Subnational Transfers</b>		
5.1	Context		
5.2	Disclosure	60	
5.3	Legal Framework and Practice	84	

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

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:

There are two funds: (1) the Macroeconomic Stabilization Fund (FEM) (initially the Macroeconomic Investment and Stabilization Fund (FIEM)) first created in 1998 by presidential decree (n° 2991) and modified no less than 6 times between 1998 and 2005. (2) The National Development Fund (FONDEN) also created by presidential decree (n° 3854) in 2005. Both funds are mainly funded by oil revenues. FONDEN is currently the relevant macroeconomic fund. Since 2002, as a result of continued modifications to the rules governing inflows and outflows, FEM has had no inflows and currently has a balance of US\$ 2 MM. Inflows to FEM currently depend on the existence of a fiscal surplus. FONDEN on the other hand receives a steady flow of income (revenues from windfall taxes as well as "excess" Central Bank reserves). In the last publicly published report (December 2010) FONDEN reported a balance of US\$ 30,187,538.418.

### References:

Constitución de la República Bolivariana de Venezuela, article 321.

<http://www.tsj.gov.ve/legislacion/enmienda2009.pdf>

Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 37.827. November 27th, 2003.

<http://www.bcv.org.ve/fem/pdf/leyfem2003.pdf>

Modificación de la Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 38.286. October 4th, 2005.

<http://www.bcv.org.ve/fem/pdf/leyfem2005.pdf>

Creación del FONDEN Decreto N° 3.854.

<http://www.tsj.gov.ve/gaceta/agosto/300805/300805-38261-03.html>

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

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

Score:  A  B  C  D  E

### Comments:

The Central Bank is responsible for FEM while the Executive (via a committee involving the Minister of Finance, Minister of Oil & Energy, Minister of Development and two appointees by the President) is responsible for FONDEN. (C) is our chosen answer since FEM, as noted in the previous questions, is irrelevant and although a committee is nominally in charge of FONDEN, decisions regarding outflows

essentially depend on the discretion of the head the Executive.

**References:**

Creación del FONDEN Decreto N° 3.854. Article 5

<http://www.tsj.gov.ve/gaceta/agosto/300805/300805-38261-03.html>

Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 37.827. November 27th, 2003.

<http://www.bcv.org.ve/fem/pdf/leyfem2003.pdf>

Modificación de la Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 38.286. October 4th, 2005.



<http://www.bcv.org.ve/fem/pdf/leyfem2005.pdf>

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator		Score
4.2.1	Comprehensive reports	50 
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:

Inflows to FEM currently depend on the existence of a fiscal surplus. Regarding outflows, FEM has two rules: (1) a decline in total revenues, regardless of origin, with respect to average total revenues of the previous three years (can withdraw up to 50% of total funds) and (2) state of emergencies (no limit in withdrawals). However, as mentioned in previous questions FEM is currently irrelevant.

FONDEN on the other hand receives a steady flow of income (revenues from windfall taxes as well as "excess" Central Bank reserves as defined by the Ley de Reforma Parcial del Banco Central). Regarding outflows FONDEN has no clearly specified rules, outflows depend only on the approval of the president.

#### References:

Creación del FONDEN Decreto N° 3.854.

<http://www.tsj.gov.ve/gaceta/agosto/300805/300805-38261-03.html>

Ley que Crea Contribución Especial por Precios Extraordinarios y Precios Exorbitantes en el Mercado Internacional de Hidrocarburos

(Gaceta Oficial N° 6.022 Extraordinario del 18 de abril de 2011)

Ley de Reforma Parcial de la Ley del Banco Central de Venezuela (Gaceta Oficial Número: N° 38.232 del 20-07-05)

<http://www.tsj.gov.ve/gaceta/julio/200705/200705-38232-01.html>

"NORMAS DE CONTRATACIÓN Y EJECUCIÓN DE RECURSOS A TRAVÉS DEL FONDO DE DESARROLLO NACIONAL, S.A. (FONDEN)"

official publication on FONDEN published in 2007 and available at:

<http://www.fonden.gob.ve/imagen/descargas/normas.pdf> (page 5 describes the process required for the disbursement of funds).

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

### 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 last available balance for FONDEN is that of December 2010 and the information is presented only at an aggregate level.

**References:**

FONDEN General Balance, 2010.

[http://www.fonden.gob.ve/imagen/descargas/bg\\_final\\_al\\_31dic2010\\_.jpg](http://www.fonden.gob.ve/imagen/descargas/bg_final_al_31dic2010_.jpg)

FEM General Balance:

<http://www.bcv.org.ve/fem/fms.htm>

---

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

Score: A B  C D E

**Comments:**

See previous question.

**References:**

FONDEN General Balance, 2010.

[http://www.fonden.gob.ve/imagen/descargas/bg\\_final\\_al\\_31dic2010\\_.jpg](http://www.fonden.gob.ve/imagen/descargas/bg_final_al_31dic2010_.jpg)

---

**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:**

There does not seem to be a clear timeline for publication, some years have several reports (2006) while other are entirely missin (2008). The 2011 report is yet to be published.

**References:**

Official website: FONDEN Financial Statements

<http://www.fonden.gob.ve/index.php?g=1&m=24&p=0>

---

**4.2.2.056 Audited reports**

---

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

Score:  A B C D E

**Comments:**

Each report specifies the external auditors involved (upper right hand corner of the reports available online).

It was found that PDVSA´s Executive Director of Finance Víctor Aular designated by Gaceta Oficial 39.681 of May 25th 2011, also held the position of Director of Audit Division of the firm Lara Marambio & Asociados (Deloitte & Touche) and worked for the firm Horwath (Venezuela) between 1986-2003, when he left Lara Marambio & Asociados to work at PDVSA. These two firms had performed FONDEN´s external audits from 2006.

This information was published in Informe de Gestión Annual 2011 (April, 2012), but as Director Aular assumed this position in May 2011, we considered to quote his CV. However, data from this report was not used because it was published in May 2012.

**References:**

Official website: FONDEN Financial Statements

<http://www.fonden.gob.ve/index.php?g=1&m=24&p=0>

Official source of information: (n. a.). May 26th, 2011. Designada nueva Junta Directiva de PDVSA.

[http://www.pdvsa.com/index.php?tpl=interface.sp/design/salaprensa/readnew.tpl.html&newsid\\_obj\\_id=9209&newsid\\_temas=1](http://www.pdvsa.com/index.php?tpl=interface.sp/design/salaprensa/readnew.tpl.html&newsid_obj_id=9209&newsid_temas=1)  
Official source of information: Gaceta Oficial 39.681, May 25th 2011. Decreto 8.237.  
<http://www.tsj.gov.ve/gaceta/Mayo/2552011/2552011-3146.pdf#page=2>  
Official report: PDVSA, Informe de Gestión Anual 2011. April, 2012. p. 31.

---

#### 4.2.2.056b: Are the audited financial reports published?

Score:  A  B  C

**Comments:**

Audited reports are published but with limited information (only aggregates).


**References:**

Official website: FONDEN Financial Statements  
<http://www.fonden.gob.ve/index.php?g=1&m=24&p=0>

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator	Score
4.3.1 Legal Framework and Practice	50 

## 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:

Inflows to FEM currently depend on the existence of a fiscal surplus. FONDEN on the other hand receives a steady flow of income (revenues from windfall taxes as established in the "Ley que crea contribución especial por precios extraordinarios y precios exorbitantes en el mercado internacional de hidrocarburos" as well as "excess" Central Bank reserves as defined by the Ley de Reforma Parcial del Banco Central and specified in the decree creating FONDEN.

#### References:

Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 37.827. November 27th, 2003.  
<http://www.bcv.org.ve/fem/pdf/leyfem2003.pdf>  
 Modificación de la Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 38.286. October 4th, 2005.  
<http://www.bcv.org.ve/fem/pdf/leyfem2005.pdf>  
 Creación FONDEN Decreto N° 3.854. Gaceta Oficial N° 38.261.  
<http://www.tsj.gov.ve/gaceta/agosto/300805/300805-38261-03.html>  
 Acta Constitutiva y Estatutaria del FONDEN. Gaceta Oficial N° 38.269.  
<http://www.tsj.gov.ve/gaceta/septiembre/090905/090905-38269-08.html#>  
 Ley que crea contribución especial por precios extraordinarios y precios exorbitantes en el mercado internacional de hidrocarburos.  
[http://www.tsj.gov.ve/legislacion/1-6022\\_DO.pdf](http://www.tsj.gov.ve/legislacion/1-6022_DO.pdf)  
 Ley de Reforma Parcial de la Ley del Banco Central de Venezuela (Gaceta Oficial Número: N° 38.232 del 20-07-05) <http://www.efemeridesvenezolanas.com/documentos/doc/bcv1.pdf>.

### 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:

The Macroeconomic Investment and Stabilization Fund (FIEM in Spanish) was established in 1998. According to its original setup, the fund would save 50% of all oil proceeds in excess of a five year moving average with a symmetric spending rule. Seven months after its creation the rules were modified by executive decree, and would undergo four more modifications between 1999 and 2003 after which it was replaced by the Macroeconomic Stabilization Fund (FEM in Spanish). All modifications either exempted the central government from having to save in a given year or loosened spending restrictions. Under the current legislation the government is required to save no less than 20% of fiscal surplus. The rule is followed in the sense that no year has yielded a fiscal surplus hence no deposits have been made.

The rules regarding deposits to FONDEN have been followed to the letter (at a price of US\$ 115 per barrel, 52% of oil revenues go to FONDEN). Before 2008 there were no rules for depositing funds in FONDEN, deposits were made at the government's discretion.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley que crea contribución especial por precios extraordinarios y precios exorbitantes en el mercado internacional de hidrocarburos.

[http://www.tsj.gov.ve/legislacion/1-6022\\_DO.pdf](http://www.tsj.gov.ve/legislacion/1-6022_DO.pdf)

Academic Report: CIEA. May 20th, 2011. Contexto Nacional: nueva ley de contribuciones. Boletín Abril-Junio 2011. [http://servicios.iesa.edu.ve/portal/CIEA/boletin\\_1\\_6.pdf](http://servicios.iesa.edu.ve/portal/CIEA/boletin_1_6.pdf)

News Report: Marianna Párraga. April 24th, 2008. Regularización del Fonden abre puertas a fondo de estabilización. El Universal.

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

**Score:** A  B C

**Comments:**

Regarding outflows, FEM has two rules as defined by legislation: (1) a decline in total revenues, regardless of origin, with respect to average total revenues of the previous three years (can withdraw up to 50% of total funds) and (2) state of emergencies (no limit in withdrawals). However, as mentioned in previous questions FEM is currently irrelevant.

Regarding outflows FONDEN has no clearly specified rules, outflows depend only on the approval of the president.

**References:**

Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 37.827. November 27th, 2003.

<http://www.bcv.org.ve/fem/pdf/leyfem2003.pdf>

Modificación de la Ley que crea el Fondo para la Estabilización Macroeconómica. Gaceta Oficial 38.286. October 4th, 2005.

<http://www.bcv.org.ve/fem/pdf/leyfem2005.pdf>

Creación FONDEN Decreto N° 3.854. Gaceta Oficial N° 38.261.

<http://www.tsj.gov.ve/gaceta/agosto/300805/300805-38261-03.html>

Acta Constitutiva y Estatutaria del FONDEN. Gaceta Oficial N° 38.269.

<http://www.tsj.gov.ve/gaceta/septiembre/090905/090905-38269-08.html#>

"NORMAS DE CONTRATACIÓN Y EJECUCIÓN DE RECURSOS A TRAVÉS DEL FONDO DE DESARROLLO NACIONAL, S.A. (FONDEN)"

official publication on FONDEN published in 2007 and available at:

<http://www.fonden.gob.ve/imagen/descargas/normas.pdf> (page 5 describes the process required for the disbursement of funds).

**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:**

See previous question.

**References:**

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012,



AVHI.

"Modificación de Ley de Creación del FEM": Publicada en Gaceta Oficial de la República Bolivariana de Venezuela N° 38.286, de fecha 4 de octubre de 2005. The piece of legislation can be found at: <http://www.bcv.org.ve/fem/pdf/leyfem2005.pdf> (page 4 concerns outlays).

"NORMAS DE CONTRATACIÓN Y EJECUCIÓN DE RECURSOS A TRAVÉS DEL FONDO DE DESARROLLO NACIONAL, S.A. (FONDEN)"

official publication on FONDEN published in 2007 and available at:

<http://www.fonden.gob.ve/imagen/descargas/normas.pdf> (page 5 describes the process required for the disbursement of funds).

---

**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:**

FONDEN is an off-budget fund, outlays require only the approval of the president.

**References:**

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

"NORMAS DE CONTRATACIÓN Y EJECUCIÓN DE RECURSOS A TRAVÉS DEL FONDO DE DESARROLLO NACIONAL, S.A. (FONDEN)"

official publication on FONDEN published in 2007 and available at:

<http://www.fonden.gob.ve/imagen/descargas/normas.pdf> (page 5).

---

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

Score:  A B C

**References:**

Ley del Estatuto de la Función Pública Gaceta Oficial N° 37.522 September 6th, 2002. Title III, Chapter I, Article 17.

[http://www.impm.upel.edu.ve/documentos/asesoria\\_juridica/leyes/ley\\_estatuto\\_funcion\\_publica.pdf](http://www.impm.upel.edu.ve/documentos/asesoria_juridica/leyes/ley_estatuto_funcion_publica.pdf)

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

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:

According to Venezuela's Constitution, Chapter III, Article 167 up to 20% of ordinary fiscal income (both oil and non-oil revenues) must be distributed to the states and the capital district, 30% in equal shares and 70% according to population. The individual states in turn must transfer 20% of their ordinary fiscal income (including the transfers received from the federal government) to the municipalities. This is known as the Situado Constitucional. Additionally, the "Ley de Asignaciones Económicas Especiales Derivadas De Minas e Hidrocarburos" (LAE) stipulates that 25% of all fiscal income from oil and mineral resources (including royalties and other minor taxes but excluding income taxes and dividends) net of the corresponding Situado Constitucional must also be distributed to the states. How the LAE is distributed between the state government, the municipalities and the communal councils (or other forms of social organization stipulated by law) is determined by the Secretaría del Consejo Federal de Gobierno, an entity controlled by the executive. Note, social spending by PDVSA as well as contributions to FONDEN are discounted from the transfers to state and municipal governments. Moreover, initial transfers to local governments depend on the estimated budget oil price which is often underestimated (current estimate is US\$50 per barrel). Although in theory local governments should later be compensated for the difference there have been frequent complaints that this does not occur.

### References:

Constitución de la República Bolivariana de Venezuela, Article 167.

<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley de Asignaciones Economicas Especiales Derivadas de Minas e Hidrocarburos Gaceta Especial 5.991 del July 29th, 2010.

"Direct distribution of oil revenues in Venezuela", Monaldi, F., Rodríguez, P. L. y Morales, J. R.

Manuscript, Center for Global Development, Washington, D.C. (2012).

<http://www.asambleanacional.gob.ve/index.php?>

option=com\_content&task=view&id=24047&Itemid=63

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

Score: **A** B C

### Comments:

Yes, the article 167 of the Constitution establishes that at least 50% of the Situado should be invested, although there's no specification of the kind of investments required. The Ley de Asignaciones Económicas Especiales Derivadas De Minas e Hidrocarburos, establishes that the income should be invested.

### References:

Constitución de la República Bolivariana de Venezuela, Article 167.

<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley de Asignaciones Economicas Especiales Derivadas de Minas e Hidrocarburos Gaceta Especial 5.991 del July 29th, 2010.

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator		Score
5.2.1	Disclosure	60 

5.2.1 Disclosure

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

Score:  A  B  C

### References:

Constitución de la República Bolivariana de Venezuela, Article 167.

<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley de Asignaciones Economicas Especiales Derivadas de Minas e Hidrocarburos Gaceta Especial 5.991 del July 29th, 2010.

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

Score:  A  B  C  D  E

### References:

Presupuesto Consolidado del Sector Público published yearly by OCEPRE (available in their public library, not online).

### Peer Review Comments:

Assuming that FONDEN off-budget spending is not relevant for this question, as it is not "transferred" to the regional governments.

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

Score:  A  B  C  D  E

### References:

Presupuesto Consolidado del Sector Público published yearly by OCEPRE (available in their public library as hard copies, not online).

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

Score:  A  B  C  D  E

### References:

Presupuesto Consolidado del Sector Público published yearly by OCEPRE (available in their public library, not online).

---

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

Score: A **B** C

#### Comments:

Sub-national governments don't usually publish this information themselves but instead relay it to ONAPRE (the national budget office) who publishes it but only on request and with an approximately 2 or 3 years lag. The state of Miranda is one of the few exceptions in this case publishing detailed and periodical information about its sources of income, including transfers.

#### References:

Ingresos Recaudados al II trimestre de 2011, Gobernación de Miranda.

<http://www.miranda.gob.ve/transparencia/leyes/pdf/IngresosrecaudadosalIITrimestre2011.pdf>

#### Peer Review Comments:

There are varying levels of budget transparency in the different state governments. For a broader analysis, see Transparency Venezuela's Index of Transparency in State Governments:  
<http://www.transparencia.org.ve/AreasEstrategicas/Gestion-Publica/Gobernaciones.aspx>

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator	Score
5.3.1 <span style="color: red;">Legal Framework and Practice</span>	84 <span style="color: green;">■</span>

## 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

**Comments:**

Arrangements are defined by legislation, however, as highlighted in previous comments, there are ways in which the executive can significantly reduce or delay the amounts transferred to sub-national governments either by (1) underestimating the budgeted oil price (2) increasing transfers to FONDEN and social spending by PDVSA (3) using the discretionary power of the Secretaría del Consejo Federal de Gobierno to favor local communal councils in the distribution of the LAE.

**References:**

Ley de asignaciones económicas especiales para los estados y el Distrito Metropolitano de Caracas Derivadas de Minas e Hidrocarburos <http://docs.venezuela.justia.com/federales/leyes/ley-de-asignaciones-economicas-especiales-para-los-estados-y-el-distrito-metropolitano-de-caracas-derivadas-de-minas-e-hidrocarburos.pdf>

"Direct distribution of oil revenues in Venezuela", Monaldi, F., Rodríguez, P. L. y Morales, J. R. Manuscript, Center for Global Development, Washington, D.C. (2012). Available upon request.

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

Score:  A  B  C  D  E

**Comments:**

How the LAE is distributed between the state government, the municipalities and the communal councils (or other forms of social organization stipulated by law) is determined by the Secretaría del Consejo Federal de Gobierno in which, at least in letter, the executive branch, governors, mayors and a representative of the communal councils all participate but which in practice is currently controlled by the executive. Note, social spending by PDVSA as well as contributions to FONDEN are discounted from the transfers to state and municipal governments. Moreover, initial transfers to local governments depend on the estimated budget oil price which is often underestimated (current estimate is US\$50 per barrel). Although in theory local governments should later be compensated for the difference there have been frequent complaints that this does not occur.

**References:**

Official Source of Information: Ayala, Sandra and Hernández, Enrique. (n. d.). Sancionan Ley que deroga el FIDES.

[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&task=view&id=24047&Itemid=63](http://www.asambleanacional.gob.ve/index.php?option=com_content&task=view&id=24047&Itemid=63)

Media Report: Armas, Mayela. December 15th, 2011. Autorizan recursos adicionales a 12 gobernaciones oficialistas.

<http://www.eluniversal.com/economia/111215/autorizan-recursos-adicionales-a-12-gobernaciones-oficialistas>

Media Report: Vigilancia, Adriana. May 30th, 2010. El próximo año gobernaciones y alcaldías estarán quebradas.

[http://www.eluniversal.com/2010/05/30/pol\\_art\\_el-proximo-ano-gobe\\_1919235.shtml](http://www.eluniversal.com/2010/05/30/pol_art_el-proximo-ano-gobe_1919235.shtml)

Media Report: Rondón, Harrys entrevista a Sánchez Meleán, Jorge. February 12th, 2010. Derogación del FIDES es un nuevo zarpazo a la descentralización.

[http://www.agenciadenoticias.luz.edu.ve/index.php?option=com\\_content&task=view&id=895&Itemid=186](http://www.agenciadenoticias.luz.edu.ve/index.php?option=com_content&task=view&id=895&Itemid=186)

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

## Context

[Back](#)

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:

According to Title II, Chapter I, Article 12 of the Constitution of the Bolivarian Republic of Venezuela all mineral and hydrocarbon deposits belong to the Republic, they are public domain goods, unalienable and imprescriptible. The Republic's ownership of mineral and hydrocarbon deposits is also recognized in the Ley Orgánica de Hidrocarburos, Chapter I, Article 3.

Note: Context information: Venezuela is highly dependent on oil revenues, which account for roughly 95% of export earnings, about 40% of federal budget revenues, and around 12% of GDP. (CIA World Factbook, Venezuela, <https://www.cia.gov/library/publications/the-world-factbook/geos/ve.html>)

#### References:

Constitution of the Bolivarian Republic of Venezuela - Title II, Chapter I, Article 12

<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley Orgánica de Hidrocarburos - Chapter I, Article 3

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

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

Score:  A  B  C  D  E

#### Comments:

The Ley Orgánica de Hidrocarburos grants that responsibility to the Ministry of Petroleum (Chapter II, Article 8).

#### References:

Ley Orgánica de Hidrocarburos - Chapter II, Article 8

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

### 1.1.003: What licensing practices does the government commonly follow?

Score: A  B  C  D  E

#### Comments:



Regarding this question, Francisco Monaldi (Director of Centro Internacional de Energía y Ambiente, IESA), Luis Xavier Grisanti (President of Asociación Venezolana de Hidrocarburos) and José Ricardo La Rosa (Analyst of Asociación Venezolana de Hidrocarburos), were interviewed as experts in the topic. In Venezuela, except for the Carabobo Project (where the government conducted an open bidding process), licensing practices followed by the government consisted in direct negotiation, for example Junin Project was granted in a State-State negotiation. According to the experts, currently option B is the most commonly followed practice.

This process of negotiation establishes joint ventures with a majority ownership of the State, where PDVSA (Venezuela Petroleum state-owned company) is in charge of the operation of the field, it does not grant rights over the resources (following the Acuerdo mediante el cual se aprueban los Términos y Condiciones para la Creación y Funcionamiento de las Empresas Mixtas - Gaceta Oficial N° 38.506 del 23 de agosto de 2006). This is because according to Venezuela's Constitution Chapter I, Article 12, oil fields belong to the Republic, they are public domain goods and unalienable and imprescriptible, also acknowledged in Chapter 1, Article 3 of Ley Orgánica de Hidrocarburos and in Article 13 it establishes that national territory can't be yielded to any subject of international law.

#### References:

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director of Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

Interview with private sector representative - José Ricardo La Rosa, Economist, Analyst of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

Constitución de la República Bolivariana de Venezuela

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=92&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=92&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=92&newsid_temas=6)

Ley Orgánica de Hidrocarburos

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Acuerdo mediante el cual se aprueban los Términos y Condiciones para la Creación y Funcionamiento de las Empresas Mixtas - Gaceta Oficial N° 38.506 del 23 de agosto de 2006

### 1.1.004: What is the fiscal system for mineral resources?

Score: A  B  C  D  E

#### Comments:

In Venezuela the Fiscal system for hydrocarbons consist in joint ventures, with a majority ownership of the State, according to the Ley Orgánica de Hidrocarburos private participation will not be more than 49.99%, but the Decreto 5200 increased PDVSA's mandatory participation to 60%. This guarantees PDVSA's operational control. Chapter VI of Ley Orgánica de Hidrocarburos describes the corresponding royalties and taxes.

#### References:

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

Ley Orgánica de Hidrocarburos - Chapter III Article 22, Chapter VI

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Ley de Regularización de la Participación Privada en las Actividades Primarias Previstas en el Decreto N° 1.510 con Fuerza de Ley Orgánica de Hidrocarburos (Gaceta Oficial N° 38.419 del 18 de abril de 2006)

Decreto 5200 Decreto con Rango, Valor y Fuerza de Ley de Migración a Empresas Mixtas de los Convenios de Asociación de la Faja Petrolífera del Orinoco, así como de los Convenios de Exploración a Riesgo y Ganancias Compartidas (26 de febrero de 2007)

---

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

Score:  A  B  C  D  E

**Comments:**

The Ley Orgánica de Hidrocarburos grants that responsibility to the Ministry of Energy and Oil (Chapter II, Article 8). It should be highlighted that since January 2005, the Minister of Energy has also held the role of President of PDVSA, creating a significant conflict of interest as the regulated and the regulator are one and the same.

**References:**

Ley Orgánica de Hidrocarburos - Chapter II, Article 8

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Interview with private sector representative – José Ricardo La Rosa, Economist, Analyst of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

## Disclosure

[Back](#)

Indicator		Score
1.2.006	Information on licensing process	67 
1.2	Contract transparency	33 
1.2.008	Environmental and social impact assessments	33 
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

#### Comments:

The licensing process is specified by the Ley Orgánica de Hidrocarburos, Article 13, it requires that: a) The firm and its representatives must be identified. b) The project has to be described, with specifications of the technology needed, destination of the production and financial resources applicable to the project. c) The life term of the company cannot be longer than 25 years, with a maximum extension of 15 years, additional to the original term. d) The special advantages offered to the Republic should be described. Also, there is public information about the opening of the licensing process. There is a mix of licensing rounds and direct negotiation (most common practice) in which the public is informed of the general conditions of the agreement. However, a complete description of the procedure for awarding a license is provided (including bidder qualification procedures and auction rules in case of auction rounds or rules for contacting the licensing authority in case of negotiated process) is not part of the public information.

Concerning auction of blocks in the Carabobo Project on the Orinoco Belt (2010), there was a web page for the public with information, but complete access to the information is limited to the companies that buy the Data Pack, the Carabobo Project Data Pack had a cost of US\$ 2 MM.

#### References:

Ley Orgánica de Hidrocarburos - Chapter II, Article 13

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

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

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

**Comments:**

There is a mix between licensing rounds and direct negotiation (most common practice). Concerning auction of blocks in the Carabobo Project on the Orinoco Belt (2010), licensing results were released to the public but only with limited information.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

Constitución de la República Bolivariana de Venezuela  
<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley Orgánica de Hidrocarburos  
<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Acta Constitutiva Empresa Mixta PetroMacareo Gaceta Oficial 39.531 (15-10-2010)

Resolución 076 Delimita area geografica en la cual empresa mixta PetroMacareo realizara actividades primarias previstas en el articulo 9 de Ley Organica de Hidrocarburos Gaceta Oficial 39.189 (29-05-2009)

Decreto 6.625 Se autoriza creacion de Empresa Mixta PetroMacareo entre Corporación Venezolana del Petróleo y PetroVietnam Exploration Gaceta Oficial 39.183 (21-05-2009)

## 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:**

Public access to information is required by law. According to Article 150 of the Constitution all contracts of public interest should be approved by the National Assembly. Furthermore, information regarding the blocks licensed, including the duration, royalties and tax obligations should be published in Gaceta Oficial as determined by the Ley Orgánica de Hidrocarburos (articles 33, 34, 44, 45 and 48). In some cases contracts are published in their entirety in the Official Gazette (see, for example, [http://www.ministeriopublico.gob.ve/c/document\\_library/get\\_file?p\\_l\\_id=40489&folderId=89880&name=DLFE-2121.pdf](http://www.ministeriopublico.gob.ve/c/document_library/get_file?p_l_id=40489&folderId=89880&name=DLFE-2121.pdf), pp. 380265 – 380273), but this is not consistent and in most cases contracts are not published in "full", " and the Gazette includes only general information without publishing the specific terms and conditions of each contract.

For instance, see the lack of officially published information regarding the loans for oil deals incurred with China which compromises a substantial amount of future production as payment (over 430 MBD). Information on the precise terms of the deal can only be found informally (<http://devilsexcrement.com/2011/11/28/venezuela-the-fondo-chino-papers-contracts-and-details/>)

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Constitución de la República Bolivariana de Venezuela  
<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley Orgánica de Hidrocarburos  
<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Acta Constitutiva Empresa Mixta PetroMacareo Gaceta Oficial 39.531 (15-10-2010)  
 Resolución 076 Delimita area geografica en la cual empresa mixta PetroMacareo realizara actividades primarias previstas en el articulo 9 de Ley Organica de Hidrocarburos Gaceta Oficial 39.189 (29-05-2009)  
 Decreto 6.625 Se autoriza creacion de Empresa Mixta PetroMacareo entre Corporación Venezolana del Petróleo y PetroVietnam Exploration Gaceta Oficial 39.183 (21-05-2009)  
 Acta Constitutiva Petrocedeno Gaceta Oficial 38.844 (07-01-2008)  
 Decreto 5.806 se transfiere a la empresa PetroCedeño el derecho a desarrollar actividades primarias de exploracion Gaceta Oficial 38.847 (10-01-2008)  
 Resolucion 224 se delimita el area geografica de la empresa mixta PetroCedeno Gaceta Oficial 38.809 (13-11-2007)  
 Decreto 5.664 mediante el cual se autoriza la creacion de la empresa mixta PetroCedeno Reimpresa Gaceta Oficial 38.807 (09-11-2007)  
 Acuerdo mediante el cual se aprueba la constitucion de la Empresa Mixta entre PetroCedeno CVP Total Gaceta Oficial 38.798 (29-10-2007)

#### Peer Review Comments:

Even with inconsistent coverage and frequently insufficient levels of detail, some information regarding individual contracts is published in the Official Gazette. As part of the process of migration from Operative Agreements towards the current scheme, the National Assembly also approved a Model Contract for Joint Ventures between the Corporación Venezolana de Petróleo, S.A. (a subsidiary of PDVSA) and Private Entities. Contracts in full are supposed to comply with the specifics presented in such model. However, it is uncertain whether the eventual contracts for each joint venture strictly follows the approved model.

[http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CG8QFjAA&url=http%3A%2F%2Fwww.antv.gob.ve%2Fm8%2Fcontadordegacetass.asp%3Fid%3D137&ei=zCnVT-X8NOTA6AGpg8yMAw&usq=AFQjCNFM5dpZsG\\_mMubHVzm5VpCc4qJN3A&sig2=shsRXLx6Pxr3OqKk6PZ-ZA](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CG8QFjAA&url=http%3A%2F%2Fwww.antv.gob.ve%2Fm8%2Fcontadordegacetass.asp%3Fid%3D137&ei=zCnVT-X8NOTA6AGpg8yMAw&usq=AFQjCNFM5dpZsG_mMubHVzm5VpCc4qJN3A&sig2=shsRXLx6Pxr3OqKk6PZ-ZA)

## 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:

Legislation requires all companies that exploit ecosystems to gather information related to the exploited resources, depletion and activities targeted to their restoration. The Decreto 1.257 dictates the norms that should be followed to evaluate activities related to ecological deterioration.

#### References:

Ley Orgánica del Ambiente, article 69.  
<http://www.minamb.gob.ve/files/Ley%20Organica%20del%20Ambiente/Ley-Organica-del-Ambiente-2007.pdf>.  
 Decreto 1257, Gaceta Oficial 35946. Normas sobre Evaluación Ambiental de Actividades Susceptibles de Degradar el Ambiente (April 25th, 1996).  
 Resolución 56, Ministerio del Ambiente, Gaceta Oficial Extraordinaria 5079. Normas sobre Recaudos para la Evaluación Ambiental de Programas y Proyectos Mineros y de Exploración y Producción de Hidrocarburos (July 4th, 1996).  
<http://www.ecocaracas.com/resources/infoutil/docs/ListadoLegislacionAmbiental.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:**

Environmental reports are published on projects already in progress.

**References:**

Government Report - PDVSA, Julio 2011. Balance de la Gestión Social y Ambiental 2010 de Petróleos de Venezuela, S. A. p. 44

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9375&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

Government Report - PDVSA, Año terminado Diciembre 2008. Balance de la Gestión Social y Ambiental 2008 Petróleos de Venezuela, S.A. y sus Filiales.

<http://www.pdvsa.com/interface.sp/database/fichero/free/4873/578.PDF>

**Peer Review Comments:**

Indeed, PDVSA usually publishes the "Balance de Gestión Social y Ambiental" alongside with its past year financial balances. I would add two caveats:

1) PDVSA is not the Regulating Authority. The Ministry of Energy and Oil, however, also publishes the mentioned report (updated for 2011) in its webpage: <http://www.menpet.gob.ve/secciones.php?option=view&idS=109>

2) The aforementioned Balance does not publish information per extractive venture, but by extractive region.

---

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

Constitution of the Bolivarian Republic of Venezuela determines social responsibility of PDVSA in articles 86, 87, 111, 132, 135, 184, 299, 302 and 311, also it is established in article 5 of the Ley Orgánica de Hidrocarburos (as it is declared in the Balance de la Gestión Social y Ambiental 2010 de Petróleos de Venezuela, S. A., p. 172), but there is no specific law that requires the preparation of social impact assessment of oil development projects.

**References:**

Constitución de la República Bolivariana de Venezuela, Articles 86, 87, 111, 132, 135, 184, 299, 302 and 311. <http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley Orgánica de Hidrocarburos Article 5.

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Government Report - PDVSA, Julio 2011. Balance de la Gestión Social y Ambiental 2010 de Petróleos de Venezuela, S. A. p. 172

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9375&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

Government Report - PDVSA, Año terminado Diciembre 2008. Balance de la Gestión Social y Ambiental 2008 Petróleos de Venezuela, S.A. y sus Filiales.

<http://www.pdvsa.com/interface.sp/database/fichero/free/4873/578.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

**Comments:**

Social impact assessments are not required by law. Reports on PDVSA's social investments are published but they do not include any impact evaluations.

**References:**

Government Report - PDVSA, Julio 2011. Balance de la Gestión Social y Ambiental 2010 de Petróleos de Venezuela, S. A. p. 172

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9375&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

Government Report - PDVSA, Año terminado Diciembre 2008. Balance de la Gestión Social y Ambiental 2008 Petróleos de Venezuela, S.A. y sus Filiales. p. 66

<http://www.pdvsa.com/interface.sp/database/fichero/free/4873/578.PDF>

**Peer Review Comments:**

2011's Balance de Gestión Social y Ambiental presents impact estimates of some of its social investments. These are clearly insufficient, and the social investments referred to are in no way linked to the award of extractive rights. The Model of Contract between the CVP,S.A. and Private Entities does refer to environmental issues, but does not point into any particular social responsibilities for the award of mineral rights for given joint ventures.

<http://www.menpet.gob.ve/secciones.php?option=view&idS=109>

## 1.2 Access to information and legislation

---

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

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

**Comments:**

The Constitution of the Bolivarian Republic of Venezuela establishes the property of hydrocarbons (article 12), reserves to the State the regime, administration and oil activities (articles 156 and 302) and also determines that the State will be the complete owner of PDVSA's shares (article 303). The Ley Orgánica de Hidrocarburos sets that primary activities of the oil sector will be developed by the State, under a joint ventures regime, limiting private participation to a maximum of 49.99% of the shares, PDVSA will remain as the decision maker. Each joint venture will last 25 years, with the possibility to be extended for 15 more years. Also the fiscal regime with details about rates and how they should be paid is determined by this law. Other laws complement the joint venture fiscal regime.

**References:**

Constitución de la República Bolivariana de Venezuela. Articles 12, 156, 302 and 303)

<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley Orgánica de Hidrocarburos.

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Ley de Regularización de la Participación Privada en las Actividades Primarias Ley Organica de Hidrocarburos Gaceta Oficial 38.419 (April 18th, 2006).

Decreto Ley No. 5.200 de migración a Empresas Mixtas de los Convenios de Asociación de la Faja Petrolífera del Orinoco; y los Convenios de Exploración a Riesgo y Ganancias Compartidas. Gaceta Oficial No. 38.632 (Feb 26th, 2007).

Ley Orgánica que Reserva al Estado Bienes y Servicios Conexos a las Actividades Primarias de Hidrocarburos Gaceta Oficial No. 39.173 (May 7th, 2009).

### 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 not a Freedom of Information Law, nor a rule requiring the disclosure of information related to the oil sector. However, the constitution guarantees the right to obtain any document whose nature may affect the interest of communities.

**References:**

Constitución de la República Bolivariana de Venezuela, article 28.  
<http://pdba.georgetown.edu/constitutions/venezuela/ven1999.html>

**Peer Review Comments:**

In its article 8, the Law Against Corruption establishes that all information regarding the management of resources by public entities is public in nature, unless for reasons of National Security and Defense. No specific laws applying to the extractive sector have been approved.


[Download PDF](#)



# Venezuela - RWI Index Questionnaire

## Legal Framework and Practices

[Back](#)

Indicator	Score
1.3 Legal Framework and Practices	28 

### 1.3 Legal Framework and Practices

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

Score: A  B  C

##### Comments:

There is a formal independency between PDVSA and the Ministry of Petroleum, but since 2005 the President of PDVSA has also headed the Ministry of Energy (Minister Rafael Ramírez). In theory, the awarding of licenses corresponds to the Ministry of Energy, but given the dual role of the current minister, PDVSA clearly plays an important role. Prior to 2008 when PDVSA's statutes were finally changed, no serving minister could serve in the board of directors. Nevertheless between 2004 and 2008, the minister of the extractive sector also presided over PDVSA. Currently two other ministers, including the minister of planning and finance, also serve on PDVSA's board, even though the modifications of PDVSA's statutes in 2008 only applied to the minister of the extractive sector.

PDVSA's Board has the responsibility to decide the constitution of operative joint ventures (Gaceta Oficial Number 37588, Decree Number 2184, Title III, Clause 14<sup>o</sup>) which effectively involves PDVSA in all negotiations since, according to article 22 of Ley Orgánica de Hidrocarburos, all exploration and production will be done directly by the Executive or by companies where the Executive has exclusive property or has control of decisions with more than 50% of its shares.

##### References:

Ley Orgánica de Hidrocarburos Article 22

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Estatutos de PDVSA - Decreto N° 2.184, Mediante el cual se Establece el Acta Constitutiva y los Estatutos de la Empresa Estatal Petróleos De Venezuela Sociedad Anónima (PDVSA) Gaceta Oficial N° 37.588 (Dec 10th, 2002) Title III, Clause 14<sup>o</sup> and Title IV, Chapter I, Clause 29<sup>o</sup>.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=76&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=76&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=76&newsid_temas=6)

Decreto N° 6.234, mediante el cual se dicta la Reforma Parcial del Decreto N° 3.299, de fecha 07 de diciembre de 2004, contenido del Acta Constitutiva-Estatutos de Petróleos de Venezuela, S.A.

<http://www.tsj.gov.ve/gaceta/agosto/060808/060808-38988-9.html>

Ministerio de Petróleo y Minería. Empresas Mixtas al Servicio del Pueblo. Serie Plena Soberanía Petrolera Nro. 4. p. 15.

<http://www.pdv.com/interface.sp/database/fichero/publicacion/1412/60.PDF>

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

Score: A  B   C  D  E

**Comments:**

When there is a bidding process, answer is "a", for example in the case of The Carabobo Project in the Orinoco Belt there was a public licensing auction, with defined conditions such as joint ventures of at least 60% of equity participation of PDVSA, a bonus and a plan to finance oil pumping and processing of heavy oil. But this was a special case, most of the licensing process are not transparent, according to the 2011 Investment Climate Statement of Venezuela, reported by the United States Government Department of State "Despite this legal and institutional framework, there is little transparency in Venezuela's regulatory system. The vast majority of contracts are awarded without open competition." The licensing process intends to build strategic alliances based on geopolitical interests of the nation.

**References:**

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

U.S. Department of State. Bureau of Economic, Energy and Business Affairs. 2011 Investment Climate Statement - Venezuela. March, 2011.

<http://www.state.gov/e/eb/rls/othr/ics/2011/157383.htm>

**Peer Review Comments:**

I agree with the answer in principle. However, the legitimacy of the geopolitical motives behind the majority of concessions in the Orinoco Oil Belt is a huge debate issue in Venezuela.

**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:**

In the Ley Orgánica de Hidrocarburos are defined some principles (Chapter VI Regime of Royalties and Taxes) and the authority must respect principles concerning royalties, taxes, length of licenses, among others. Nevertheless, outside this framework the Ministry of Petroleum has significant discretion and terms can be renegotiated. All contracts and licenses have to be approved by the National Assembly, but this branch is also politically influenced and controlled by the government.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

Ley Orgánica de Hidrocarburos - Chapter VI Regime of Royalties and Taxes

[http://www.pdv.com/index.php?](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

**Peer Review Comments:**

Now again, the Model of Contract between the CVP, S.A. and Private Entities further narrows the wiggle room for specific case negotiations. Furthermore, all contracted ventures have followed a 60% take for the CVP, suggesting that even key variables open to variation are not being utilized as negotiation tokens.

[http://www.google.com/url?](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0CGkQFjAF&url=http%3A%2F%2Fwww.antv.gob.ve%2Fm8%2Fcontadordegacetas.asp%3Fid%3D137&ei=wLXT7GiC-6f6QH4sYimAw&usq=AFQjCNFM5dpZsG_mMubHVzm5VpCc4qJN3A&sig2=1DuF9vrvYnCsW7-uRLNqYg)

[sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0CGkQFjAF&url=http%3A%2F%2Fwww.antv.gob.ve%2Fm8%2Fcontadordegacetas.asp%3Fid%3D137&ei=wLXT7GiC-](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0CGkQFjAF&url=http%3A%2F%2Fwww.antv.gob.ve%2Fm8%2Fcontadordegacetas.asp%3Fid%3D137&ei=wLXT7GiC-6f6QH4sYimAw&usq=AFQjCNFM5dpZsG_mMubHVzm5VpCc4qJN3A&sig2=1DuF9vrvYnCsW7-uRLNqYg)

[6f6QH4sYimAw&usq=AFQjCNFM5dpZsG\\_mMubHVzm5VpCc4qJN3A&sig2=1DuF9vrvYnCsW7-uRLNqYg](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0CGkQFjAF&url=http%3A%2F%2Fwww.antv.gob.ve%2Fm8%2Fcontadordegacetas.asp%3Fid%3D137&ei=wLXT7GiC-6f6QH4sYimAw&usq=AFQjCNFM5dpZsG_mMubHVzm5VpCc4qJN3A&sig2=1DuF9vrvYnCsW7-uRLNqYg)

**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:**

All contracts and licenses have to be approved by the National Assembly, following the article 33 of the Ley Orgánica de Hidrocarburos that establishes legislative approval of the oil and gas contracts (joint ventures), also requires the Ministry of Petroleum to fully inform the National Assembly of the conditions and circumstances of the contracts. This overview of the National Assembly is estipulated in article 150 of the Constitution, requiring the approval of the National Assembly of every public interest construct. As the legislative branch is politically influenced and controlled by the government, there is very little oversight in practice and the legislature rubber stamps the decision of the Executive.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

Constitución de la República Bolivariana de Venezuela - Article 150

<http://www.tsj.gov.ve/legislacion/constitucion1999.htm>

Ley Orgánica de Hidrocarburos - Article 33

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

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

There is no specific rule to appeal the decision and once it is approved by the National Assembly, decisions are final. Venezuelan legal framework, under the Trade Code, and the Ley de Procedimientos Administrativos, establishes general principles that could be applied to any party that is engaged in business with the State, you have the right to appeal the decisions, but it is not exercised and it is not specific to the oil sector. The decision making process in Venezuela is highly politicized, prioritizing the political and strategic objectives of the government.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

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

According to Article 102 of the "Ley Orgánica de la Administración Pública", all documents pertaining to public enterprises or enterprises that have to be published, must be published on the official gazette. For mixed enterprises in the oil sector, percentage shares of public and private participants are made publicly available. The level of detail is quite limited (ex. percentage shares for Petrocedeño: CVP (60%), Total (30.323%) and Statoil BV (9.677%)).

Artículo 102 de la ley orgánica de administración pública:

"Todos los documentos relacionados con las empresas del Estado que conforme al Código de Comercio tienen que ser objeto de publicación, se publicarán en la Gaceta Oficial de la República Bolivariana de Venezuela o en el correspondiente medio de divulgación oficial de los estados, de los distritos metropolitanos o de los municipios. Con el cumplimiento de esta obligación se considerarán satisfechas las exigencias previstas en dicho Código, sin perjuicio de que la publicación pueda hacerse también en otros medios de comunicación si así lo estima conveniente la empresa. En este último supuesto, deberá dejarse constancia del número y fecha de la Gaceta Oficial de la República Bolivariana de Venezuela o del medio de divulgación oficial, estatal, del distrito metropolitano o municipal en el cual se hizo la publicación legal."

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

## Context

[Back](#)

Indicator	Score
2.1	Context 67 

### 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 can receive in kind payments instead of financial payments from resource companies. As the article 45 of Ley Orgánica de Hidrocarburos clearly says. In PDVSA 's Statement it is reported that in 2009 it received \$ 3.178 MM as in-kind payments.

##### References:

Ley de Hidrocarburos, article 45.  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)  
 PDVSA 's Statement 2009 p. 197  
<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

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

Score:  A  B  C  D  E

##### References:

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
 Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

#### 2.1.019: What authority actually collects payments from resource companies?

Score: A  B  C  D  E

##### Comments:

The Ministry of Petroleum collects the royalty and all the specific taxes, to send it to the Treasury, income tax and general taxes are collected by SENIAT (Tax Authority of the Ministry of Finance). The Law establishes that when the royalties payments are made in monetary terms, they should be paid to the Ministry of Petroleum, article 47 of Ley orgánica de Hidrocarburos.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos - Article 47.

<http://www.pdv.com/index.php?>










[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

## Disclosure

[Back](#)

Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	7 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	29 
2.2A	Quality of reports	50 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	85 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	46 
2.2B	Quality of reports	50 
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?	48 
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	43 
2.2D	Quality of reports	84 
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A
2.2E	Quality of reports	N/A
2.2	Public sector balance	67 

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

### 2.2A.020.a: Reserves

Score: A **B** C D E

#### Comments:

The Ministry of Finance generally quotes the information published by the Ministry of Petroleum or the

Central Bank. The Ministry of Finance does not publish the detailed premises (estimates) used to prepare the budget, only the average reference oil price. The budget elaboration is extremely opaque. The Ministry of Finance publishes information on oil income taxes, royalties and dividends paid by PDVSA even though not necessarily regularly or timely.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

**Peer Review Comments:**

The Statement of Purpose ("Exposición de Motivos") of 2012's Budget Proposal mentions the level of reserves as part of the assumptions for the formulation of the budget (see page 59). This should suffice for a B answer.

[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

---

**2.2A.020.b: Production volumes**

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

**Comments:**

Information published by PDVSA not the Ministry of Finance.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

**Peer Review Comments:**

2012's budget law does not present any estimate of oil production levels as part of budget's formulation.

---

**2.2A.020.c: Information on prices**

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

**Comments:**

Information published by the Ministry of Petroleum not the Ministry of Finance.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)



---

**2.2A.020.d: Value of resource exports**

**Score:** A B C  D E

**Comments:**

Information published by PDVSA not the Ministry of Finance.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

**Score:** A B C  D E

**Comments:**

Information published by PDVSA not the Ministry of Finance.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

**2.2A.020.f: Production costs**

**Score:** A B C  D E

**Comments:**

Information published by PDVSA not the Ministry of Finance.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

**Score:** A B C  D E

**Comments:**

Information published by PDVSA not the Ministry of Finance.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

Score: A B C  D E

#### References:

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

Score: A B C  D E

#### References:

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

---

### 2.2A.020.j1: Production streams value

Score: A B C  D E

#### References:

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

Score: A B C D  E

#### Comments:

Production is undertaken by mixed enterprises (at least 60% state owned) with PDVSA mantaining operational control. There are no PSC currently operating.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

**2.2A.020.j3: Royalties**

Score: (A) B C D E

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

**Peer Review Comments:**

2012's budget law presents Royalty projections for 2012 and estimates for 2011-2007  
[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

---

**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:**

On the ministry of finance's web page one can find government financial statistics up to the third quarter of 2010, including income taxes, royalties and dividends but excluding windfall taxes (contribuciones por precios "extraordinarios y exorbitantes" or windfall tax).

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

**2.2A.020.j5: Dividends**

Score: (A) B C D E

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

**Peer Review Comments:**

2012's Budget Law presents Dividend projections for 2012 and estimates for 2011-2007.

[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

---

**2.2A.020.j6: Bonuses**

**Score:** A B C  D E

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

**2.2A.020.j7: License fees**

**Score:** A B C  D E

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

**2.2A.020.j8: Acreage fees**

**Score:** A B C  D E

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

---

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

**Score:** A B C D  E

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010

[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)

<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>

Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

## 2.2A Quality of reports

---

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

Score: A  B  C  D  E

**Comments:**

The statistical databases found at Ministry of Finance website [www.mf.gov.ve](http://www.mf.gov.ve), are mainly technical and lack narrative sections or notes on methodology, but are generally comprehensive and understandable. There is also narrative information in the Memoria y Cuenta of the Ministry, also available at the website.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
 Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

**Peer Review Comments:**

Adding on this, budget laws - in their Statements of Purpose - incorporate both technical and narrative perspectives on their assumption on extractive revenue generation. Methodological notes are also lacking.

[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

---

### 2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?

Score: A  B  C  D  E

**Comments:**

There are quarterly and even monthly statistical reports but they are published irregularly and with a significant lag. The last annual report of the Ministry, named Memoria y Cuenta is from 2009.

**References:**

Official Web Page of Ministry of Finance - Publications - Memoria y Cuenta 2009 Ministry of Finance, Jorge Giordani 2010  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=238&Itemid=371](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=238&Itemid=371)  
<http://www.mf.gov.ve/images/pdf/Memoria-Finanzas/MEMORIA-2009.pdf>  
 Official Web Page of Ministry of Finance - Government Finance Statistics  
[http://www.mf.gov.ve/index.php?option=com\\_content&view=article&id=224&Itemid=339](http://www.mf.gov.ve/index.php?option=com_content&view=article&id=224&Itemid=339)

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

---

### 2.2B.020.a: Reserves

Score: (A) B C D E

**Comments:**

Information about the reserves in detail was published in PODE 2007-2008. However, the Memoria y Cuenta 2011 has information about the incrementation of reserves in specific places, but there is not a total of reserves published as it was in Memoria y Cuenta 2008. But as there was a news report in the Ministry's website with the total of reserves, the answer should be "a".

**References:**

Media Report: AVN/ Prensa Presidencial - February 28th, 2012 - Venezuela se consolidó en 2011 como el país con mayores reservas petroleras y gasíferas  
<http://www.menpet.gob.ve/noticias.php?option=view&idNot=2401>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela 2011 (PDVSA)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - February 2009 - Memoria y Cuenta Petróleo de Venezuela 2008 (PDVSA)  
<http://www.petroleumworldve.com/pdf/Memoria%20y%20Cuenta%20MENPET%202008.pdf>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 58  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.b: Production volumes**

Score: (A) B C D E

**Comments:**

Information about the production volumes is published in the Memoria y Cuenta 2011, total production and by geographical area (p. 329), there is also detailed information with comparison data between 2010 and 2011, showing the incrementation of production by area and specifying the fields (p. 361-368). However, in PODE 2007-2008 you can find an even more detailed data (p. 66-73).

**References:**

Media Report: March 30th, 2012 - PDVSA alcanza cifra récord de producción en la Faja Petrolífera  
<http://www.menpet.gob.ve/noticias.php?option=view&idNot=2432>  
Media Report: January 25th, 2012 - PDVSA avanza en proceso para incrementar producción petrolera  
<http://www.menpet.gob.ve/noticias.php?option=view&idNot=2365>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 329, 361-368)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 66-73  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.c: Information on prices**

Score: (A) B C D E

**Comments:**

The Ministry's website publishes the information on prices weekly, monthly and yearly.

**References:**

Ministerio del Poder Popular de Petróleo y Minería - Evaluación de Precios 2010-2012  
<http://www.menpet.gob.ve/portalmenpet/secciones.php?option=view&idS=45>

---

**2.2B.020.d: Value of resource exports****Score:** (A) B C D E**Comments:**

In the Memoria y Cuenta 2011 (p. 337-338) is published the information about the total value of exports, with a comparison between 2010 and 2011, showing the significant increment in this value because of the increase of oil price. As well there is information about the quantity of barrels exported and their distribution by continent (p. 382-383). However, in PODE 2007-2008 you can find an even more detailed data (p. 87-91).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 337-338)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 87-91.  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.e: Estimates of investment in exploration and development****Score:** (A) B C D E**Comments:**

In the Memoria y Cuenta 2011 (p. 351-360) is published the information about the exploration projects. There is also some information about investment in a complementary financial document part of Memoria y Cuenta 2011 (p. 436). However, in PODE 2007-2008 you can find an even more detailed data (p. 60, 130-132).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 351-360)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Cuenta Petróleo de Venezuela (PDVSA) (p. 436)  
<http://www.scribd.com/doc/86449304/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Finanzas>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 60  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

In the Memoria y Cuenta 2011 (p. 338) is published information about the operational costs of 2011, with a comparison with 2010. However, in PODE 2007-2008 you can find an even more detailed data with production costs specified (p. 129).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 338)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 129

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

Score: A B  C D E

**Comments:**

In PODE 2007-2008 there is information about the joint ventures operating, but there is nothing about the companies (p.73-74).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 73-74

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

Score: A B  C D E

**Comments:**

In PODE 2007-2008 there is information about the production data of the joint ventures operating and the blocks (p. 68-74).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 68-74

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

Score:  A B C D E

**Comments:**

Information about the cost social investment paid by mineral revenue is published in the Memoria y Cuenta 2011, with comparison data between 2010 and 2011, showing the incrementation of the contribution to FONDEN (p. 338-339). Also, in PODE 2007-2008 you can find data detailed regarding this subject (p. 51, 135-139).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 338-339)

<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Cuenta Petróleo de Venezuela (PDVSA) (p. 437-438)

<http://www.scribd.com/doc/86449304/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Finanzas>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 51, 135-139.

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

**Peer Review Comments:**

No information is provided on quasi-fiscal spending. The most obvious and important quasi-fiscal expenditure is the gasoline subsidy.



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:**

PODE 2007-2008 publishes detailed information about the production streams value (p. 36, 38, 40-47, 52).

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 36, 38, 40-47, 52.

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

**Score:** A B C D  E

**Comments:**

Production is undertaken by mixed enterprises (at least 60% state owned) with PDVSA mantaining operational control. There are no PSC currently operating.

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA)

<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Cuenta Petróleo de Venezuela (PDVSA)

<http://www.scribd.com/doc/86449304/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Finanzas>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.j3: Royalties**

**Score:**  A B C D E

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 338)

<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Cuenta Petróleo de Venezuela (PDVSA) (p. 428)

<http://www.scribd.com/doc/86449304/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Finanzas>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 51-52

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

Score:  A  B  C  D  E

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA) (p. 339)

<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Cuenta Petróleo de Venezuela (PDVSA) (p. 428, 430)

<http://www.scribd.com/doc/86449304/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Finanzas>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 51-52

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.j5: Dividends**

Score:  A  B  C  D  E

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 51-52

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.j6: Bonuses**

Score:  A  B  C  D  E

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA)

<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Cuenta Petróleo de Venezuela (PDVSA)

<http://www.scribd.com/doc/86449304/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Finanzas>

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

**Peer Review Comments:**

In the case that these sort of revenues were not generated in the relevant years for the reports quoted, then perhaps the answer should be E. As part of the concession awards in the Carabobo Block of the Orinoco Oil Belt in early 2010, the government received \$5730 million in bonuses of the sort referred in this question. Even as these bonuses were covered in the news, I did not find any reference to them as part of MENPET's official reports.

---

**2.2B.020.j7: License fees**

Score:  A  B  C  D  E

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 51-52

<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

**2.2B.020.j8: Acreage fees**

**Score:** A B  C D E

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008 p. 51-52  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

**Score:** A B  C D E

**Comments:**

PODE also publishes information about refining and the internal market. (p. 75-86).  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

2.2B Quality of reports

---

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

**Score:** A  B C D E

**Comments:**

There is narrative information in the Memoria y Cuenta of the Ministry, but it lacks information on methodology, sources or statistical techniques. Information published on PODE is comprehensive and understandable but lacks narrative sections.

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

---

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

**Score:** A B  C D E

**Comments:**

"Memoria y Cuenta" is published annually. PODE, which is an statistical database used to be published annually with a 2 or 3 years lag, but the last publication of it was 2007-2008.

**References:**

Official Reports: Ministerio del Poder Popular de Petróleo y Minería - January 2012 - Memoria Petróleo de Venezuela (PDVSA)  
<http://es.scribd.com/doc/86449390/Menpet-Memoria-y-Cuenta-2011-Pdvsa-Operaciones>  
Official Reports: Ministerio del Poder Popular de Petróleo y Minería - November 2009 - PODE 2007-2008  
<http://www.menpet.gob.ve/secciones.php?option=view&idS=179>

## 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 not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos  
<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.b: Production volumes

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos  
<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.c: Information on prices

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos  
<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.d: Value of resource exports

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

**2.2C.020.f: Production costs**

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

---

**2.2C.020.j1: Production streams value**

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.j3: Royalties

Score: A B C D  E

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.j5: Dividends

Score: A B C D  E

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.j6: Bonuses

Score: A B C D  E

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.j7: License fees

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

### 2.2C.020.j8: Acreage fees

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Ley Orgánica de Hidrocarburos  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

## 2.2C Quality of reports

---

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



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

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

**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)**

**Comments:**

There is not a Regulatory Agency.

**References:**

Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Ley Orgánica de Hidrocarburos

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

---

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

---

**2.2D.020.a: Reserves**

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

**Comments:**

Central Bank of Venezuela published in Informe Económico 2010 (p. 121), information about the reserves incorporated by the Ministry of Energy during that year.

**References:**

Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 121)

<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

**2.2D.020.b: Production volumes**

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

**Comments:**

Central Bank of Venezuela published in Informe Económico 2010 (p. 121) a graph from PDVSA, with comparison data of production volumes 2000-2010.

**References:**

Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 121)

<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

---

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

Informe Económico 2010 (p. 121) elaborated and published by Central Bank of Venezuela, shows the average price of 2010 Venezuelan crude.

**References:**

Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 158)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

**2.2D.020.d: Value of resource exports****Score:**  A B C D E**Comments:**

Central Bank of Venezuela publishes at its website quarterly information about the value of resource exports with historical data. Also in Informe Económico 2010 (p. 158), information about the value of resource exports was published.

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>  
Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 158)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

**2.2D.020.e: Estimates of investment in exploration and development****Score:** A B C  D E**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

**Peer Review Comments:**

BCV provides updated and lagged information on FDI in the oil sector. This is insufficient to get a clear picture of all the investments in exploration and development in the sector, but adds to the information available on the matter.

<http://bcv.org.ve/c2/indicadores.asp>

---

**2.2D.020.f: Production costs****Score:** A B C  D E**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

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

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

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

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

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

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

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

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

**Comments:**

Informe Económico 2010 (p. 198) published information regarding PDVSA's social investments, with a comparison between 2009 and 2010 expenditures, with some details of the missions in which PDVSA contributed.

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>  
Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 198)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

**Peer Review Comments:**

No statement is made on quasi-fiscal activities. The most relevant QFA is the gasoline subsidy.

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

---

**2.2D.020.j1: Production streams value**

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

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

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

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

**Comments:**

Production is undertaken by mixed enterprises (at least 60% state owned) with PDVSA mantaining operational control. There are no PSC currently operating.

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

### 2.2D.020.j3: Royalties

Score:  A  B  C  D  E

**Comments:**

Central Bank of Venezuela published in Informe Económico 2010 (p. 187) a table with comparison data of PDVSA's royalties, special taxes and dividends of 2009-2010.

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>  
Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 187)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.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:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>  
Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 187)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

### 2.2D.020.j5: Dividends

Score:  A  B  C  D  E

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>  
Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 187)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

### 2.2D.020.j6: Bonuses

Score:  A  B  C  D  E

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

### 2.2D.020.j7: License fees

Score:  A  B  C  D  E

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

### 2.2D.020.j8: Acreage fees

Score: A B C  D E

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

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

Score: A B C D  E

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

## 2.2D Quality of reports

---

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

Score: A  B C D E

**Comments:**

The statistical databases found at Central Bank website <http://www.bcv.org.ve/c2/indicadores.asp>, are mainly technical and lack narrative section or notes on methodology, but are generally comprehensive and understandable.

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

### 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:**

Central Bank of Venezuela publishes at its website quarterly information about the value of resource exports with historical data. The rest of the data required is published by the Ministry of Energy and/or PDVSA.

**References:**

Official Web Page of Banco Central de Venezuela- Statistics  
<http://www.bcv.org.ve/c2/indicadores.asp>

---

---

## 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:**

There is no other government agency or entity that publishes this information.

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

### 2.2E.020.b: Production volumes

**Score:** A B C D  E

**Comments:**

There is no other government agency or entity that publishes this information.

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

### 2.2E.020.c: Information on prices

**Score:** A B C D  E

**Comments:**

There is no other government agency or entity that publishes this information.

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

### 2.2E.020.d: Value of resource exports

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

### 2.2E.020.f: Production costs

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

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

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

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

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

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

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

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

---

**2.2E.020.j1: Production streams value**

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

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

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

**Comments:**

Production is undertaken by mixed enterprises (at least 60% state owned) with PDVSA mantaining operational control.

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

**2.2E.020.j3: Royalties**

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

**2.2E.020.j5: Dividends**

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

**2.2E.020.j6: Bonuses**

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

**2.2E.020.j7: License fees**

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

**2.2E.020.j8: Acreage fees**

**Score:** A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

**Score:** A B C D  E

**Comments:**

General information on the terms of the contracts is published in the Gaceta Oficial approved by the National Assembly, there is no level of detailed information, such as development plans, conditions but this information is public and in the website of the Tribunal Supremo de Justicia, you can search by the



number of the Gaceta Oficial or by date of the publication.  
<http://www.tsj.gov.ve/gaceta/gacetaoficial.asp>

**References:**

Tribunal Supremo de Justicia - Gacetas Oficiales <http://www.tsj.gov.ve/gaceta/gacetaoficial.asp>

## 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:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

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

Score: A B C D  E

**References:**

Government Official Website - <http://gobiernoenlinea.gob.ve/home/homeG.dot>

---

## 2.2 Public sector balance

---

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

Score: A  B C D E

**Comments:**

The Central Bank of Venezuela, in Informe Económico 2010 published information about the public sector balance, including a table named "Central Government Financial Management" with the incomes of the oil sector. Also Ministry of Finance publishes an indicator named "Sector Público Consolidado" that consolidates public corporations without details for PDVSA.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Official Reports: Banco Central de Venezuela - July 2011 - Informe Económico 2010 (p. 187)  
<http://200.74.197.135/upload/publicaciones/infoeco2010.pdf>

---

### 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:**

Presupuesto General de la Nación 2010

Fonden General Balance 2010

[http://www.fonden.gob.ve/imagen/descargas/bg\\_final\\_al\\_31dic2010\\_.jpg](http://www.fonden.gob.ve/imagen/descargas/bg_final_al_31dic2010_.jpg)

---

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

Score:  A  B  C

**Comments:**

In Chapter 5 can be found national incomes disaggregated by source, there it is separated the oil sector of the non-oil sector, with information of both. The budget is not available online, you have to request it at ONAPRE.

**References:**

Presupuesto General de la Nación 2011.

**Peer Review Comments:**

More information on the budget can be found online through the National Assembly's web page:

[http://www.asambleanacional.gob.ve/index.php?](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

[option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

## Legal Framework and Practices

[Back](#)

Indicator	Score
2.3 Legal Framework and Practices	52 

### 2.3 Legal Framework and Practices

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

Score: A  B C D E

##### Comments:

The Ministry of Petroleum collects the royalty and all the specific taxes, to send it to the Treasury, income tax and general taxes are collected by SENIAT (Tax Authority of the Ministry of Finance). The Law establishes that when the royalties payments are made in monetary terms, they should be paid to the Ministry of Petroleum, article 47 of Ley orgánica de Hidrocarburos.

##### References:

Ley de Hidrocarburos, article 47.  
[http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

#### 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:

Revenues resulting from an increase in oil prices above a threshold established by law are directed to FONDEN without passing through the Treasury. Furthermore, PDVSA undertakes large social spending programs which translate into lower tax payments. Accounting for PDVSA's social spending and FONDEN, over 60% of oil revenues bypass the budget at current prices.

The minimum price at which the windfall tax applies is equivalent to the estimated oil price used in the budget (currently at US\$ 50), introducing a further degree of uncertainty. At the current estimate of US\$ 50, revenues accrued by the windfall tax, and thus deposited in FONDEN, would amount to 42% of total fiscal intake given a price of US\$ 100/barrel and 52% given a price of US\$ 115/barrel.

##### References:

Ley que Crea Contribución Especial por Precios Extraordinarios y Precios Exorbitantes en el Mercado Internacional de Hidrocarburos  
[http://www.tsj.gov.ve/legislacion/1-6022\\_DO.pdf](http://www.tsj.gov.ve/legislacion/1-6022_DO.pdf)  
 Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
 Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and

International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

---

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

Score:  A  B  C

**Comments:**

The Ley del Estatuto de la Función Pública establishes in Title III, Chapter I, Article 17, point 8th that government officials must present a sworn declaration of their assets, this is a general law, it is not specific to the oil sector. However, this is not always enforced.

**References:**

Ley del Estatuto de la Función Pública Gaceta Oficial N° 37.522 September 6th, 2002. Title III, Chapter I, Article 17.  
[http://www.impm.upel.edu.ve/documentos/asesoria\\_juridica/leyes/ley\\_estatuto\\_funcion\\_publica.pdf](http://www.impm.upel.edu.ve/documentos/asesoria_juridica/leyes/ley_estatuto_funcion_publica.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 Legislative Committee on Energy and Petroleum of the National Assembly has oversight authority and the National Audit Office "Contraloría General de la República" does independent audits. Nonetheless, control and oversight are very limited in practice due to executive influence over these institutions.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.  
Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.  
Official Website National Audit Office "Contraloría General de la República":  
[http://www.cgr.gob.ve/informes\\_gestion.php?Cod=026](http://www.cgr.gob.ve/informes_gestion.php?Cod=026)

**Peer Review Comments:**

Building on this argument, the budget for the National Audit Office has been shrinking steadily in real terms during the last years, as the size of the state has been augmenting.  
[http://www.asambleanacional.gob.ve/index.php?option=com\\_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es](http://www.asambleanacional.gob.ve/index.php?option=com_content&view=article&id=35962%20:consignado-en-plenaria-proyecto-de-ley-de-endeudamiento-anual-para-el-ejercicio-fiscal-2012-&Itemid=50&lang=es)

---

**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:**

In practice the national audit office has little independence from the executive branch.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

**Peer Review Comments:**

I agree with the statement that the Controlling Office has little actual independence from the executive. However, they do publish yearly reports to the National Assembly on their activities.

[http://www.cgr.gob.ve/informes\\_gestion.php?Cod=026](http://www.cgr.gob.ve/informes_gestion.php?Cod=026)

In terms of periodicity, I would suggest an A answer. Nevertheless, I would definitely deny that these reports provide an "objective analysis of agencies in charge of managing resource revenues". For a deeper analysis on the quality of the Audit Office's reports, I would contact Mercedes de Freitas, the Executive Director of the Venezuelan Chapter of Transparency International.

---

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

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

**Comments:**

There are no independent audits of revenues. They are internally audited. The external audits of PDVSA, the Memoria y Cuenta and the internal audits are not scrutinized by the legislature, even though the legislature has the right to do it.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Interview with private sector representative - Luis Xavier Grisanti, Master of International Relations and International Politics, Executive President of Asociación Venezolana de Hidrocarburos, March 16th, 2012, AVHI.

---

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

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

**References:**

EITI Official Website:

<http://eiti.org/>

News Report: Per Kurowski. April 17th, 2008. EITI... illame a Venezuela! El Universal.

[http://noticias.eluniversal.com/2008/04/17/opi\\_art\\_eiti-llame-a-venez\\_17A1517641.shtml](http://noticias.eluniversal.com/2008/04/17/opi_art_eiti-llame-a-venez_17A1517641.shtml)

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator	Score
3.1.1	Context 56 

3.1.1 Context

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

Score:  A  B  C  D  E

#### Comments:

The Constitution of the Bolivarian Republic of Venezuela establishes the property of hydrocarbons (article 12), reserves to the State the regime, administration and oil activities (articles 156 and 302) and also determines that the State will be the complete owner of PDVSA' s shares (article 303). The Ley Orgánica de Hidrocarburos reserves to the State upstream and midstream activities (Articles 9, 22). The Ley Orgánica que reserva al Estado la Industria y el Comercio de los Hidrocarburos reinforces in articles 1, 2, 5 and 6 the State right to keep complete control of exploration, production and selling of oil.

#### References:

Constitución de la República Bolivariana de Venezuela Articles 12, 156, 302-303  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=92&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=92&newsid_temas=6)  
 Ley Orgánica de Hidrocarburos Articles 9, 22  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)  
 Ley Orgánica que Reserva al Estado la Industria y el Comercio de los Hidrocarburos Articles 1, 2, 5-6  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=163&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=163&newsid_temas=6)

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

Score:  A  B  C  D  E

#### Comments:

The Constitution of the Bolivarian Republic of Venezuela determines that the State will be the complete owner of PDVSA' s shares (article 303). The Ley Orgánica de Hidrocarburos in Article 22 sets that any joint venture will be established with a majority ownership of the State (more than 50%), where PDVSA is in charge of the operation of the field, (also following the Acuerdo mediante el cual se aprueban los Términos y Condiciones para la Creación y Funcionamiento de las Empresas Mixtas - Gaceta Oficial N° 38.506 del 23 de agosto de 2006).

#### References:

Constitución de la República Bolivariana de Venezuela Article 303 [http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=92&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=92&newsid_temas=6)  
 Ley Orgánica de Hidrocarburos Article 22  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)  
 Acuerdo mediante el cual se aprueban los Términos y Condiciones para la Creación y Funcionamiento de

las Empresas Mixtas - Gaceta Oficial N° 38.506 del 23 de agosto de 2006

---

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

**Score:** A  B C

**References:**

Ley Orgánica de Hidrocarburos

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=164&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=164&newsid_temas=6)

Constitución de la República Bolivariana de Venezuela

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=92&newsid_temas=6)

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=92&newsid\\_temas=6](http://www.pdvsa.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=92&newsid_temas=6)

---

**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:**

PDVSA is involved in social programs called Misiones. In Chapter 7 of Balance de Gestión Social y Ambiental 2010-PDVSA, is information about social development programs conducted and financed by PDVSA.

**References:**

Balance de Gestión Social y Ambiental 2010, PDVSA. Chapter 7 [http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9375&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9375&newsid_temas=111)

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestión Anual 2010. Julio 2011. p. 172.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6770/1399.PDF>






**Peer Review Comments:**

More importantly, PDVSA incurs in massive accounting and economic losses as the instrument through which gasoline subsidies are provided to the population.

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator		Score	
3.2.1	Comprehensive reports	100	
3.2.2.038	Does the SOC publish information on revenue generation?	93	
3.2.3.038.j	Disaggregated Revenue Streams	95	
3.2.4	Quality of reports	50	
3.2.5.043	Audited reports	100	

## 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:

PDVSA's financial report, externally audited by KPMG, is published on a yearly basis (usually with a 6 month lag). In June 2010 PDVSA published its financial statement for 2009, including consolidated cash flow statements. The report however, does not present a separate balance sheet for each of PDVSA's subsidiaries. Moreover, there are some inconsistencies in the figures presented by the different reports (financial and social). For example, some figures presented in the financial statement do not match figures presented in the social expenditure report. According to the financial statement social spending by PDVSA in 2010 amounted to US\$ 5.326 million (p. 39 2010 financial report) whereas the in the social expenditure report this figure is more than tripled reaching US\$ 19.215 million (p. 175 2010 social expenditure report). A note in the social expenditure report clarifies that there might be inconsistencies with the financial report due to accounting procedures, yet such large differences generate doubts as to which figures to use in any analysis of total oil receipts in a given year. There are other similar inconsistencies which naturally raise doubts.

#### References:

Official Report: PDVSA, Financial Statement, PDVSA 2010, 2009, 2008. June, 2011.  
<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>  
 Official Report: PDVSA, PDVSA Informe de Gestión Anual 2009. March, 2010.  
<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>  
 Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011.  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)  
 Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

#### Peer Review Comments:

I agree with the researcher's doubts and PDVSA's credibility issues.

Nevertheless, PDVSA's financial report presents a balance sheet and profit and loss statements, outlining revenues, taxes paid and net income. No breakdown per subsidiary is presented, though.



[http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=5319&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=5319&newsid_temas=111)

### 3.2.2.038 Does the SOC publish information on revenue generation?

---

#### 3.2.2.038.a: Reserves

Score:  A  B  C  D  E

##### Comments:

Information about the reserves in detail was published in *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010* (p. 58). This includes comparison data 2006-2010 of proven and developed reserves. This report also includes information, with comparison data 2006-2010 about production volumes (p. 65), prices (p. 67), production costs (p.67), value of resource exports (p. 124), estimates investment in exploration and development (p. 63), companies operating in country (p. 77), production data by field (p. 59) and quasi-fiscal activities (p. 172).

##### References:

Official Reports: *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010*. Julio 2011. Chapter III. p. 58.  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)  
<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>  
Official Reports: *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009*. p. 55  
<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

#### 3.2.2.038.b: Production volumes

Score:  A  B  C  D  E

##### References:

Official Reports: *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010*. Julio 2011. Chapter III. p. 65.  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)  
<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>  
Official Reports: *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009*. p. 63  
<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

#### 3.2.2.038.c: Information on prices

Score:  A  B  C  D  E

##### References:

Official Reports: *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010*. Julio 2011. Chapter III. p. 67.  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)  
<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>  
Official Reports: *Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009*. p. 65

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

### 3.2.2.038.d: Value of resource exports

Score:  A  B  C  D  E

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p. 124.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6761/1390.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6761/1390.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 123

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

### 3.2.2.038.e: Estimates of investment in exploration and development

Score:  A  B  C  D  E

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p. 63.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 43

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

### 3.2.2.038.f: Production costs

Score:  A  B  C  D  E

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p. 67.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 65

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

### 3.2.2.038.g: Names of companies operating in country

Score:  A  B  C  D  E

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p. 77.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 71

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

**Peer Review Comments:**

PDVSA's "Informe de Gestión 2011" does not detail the evolution of players involved in hydrocarbon extraction through joint ventures, but only outlines those currently involved in such activities. See pages 69-102.

<http://www.pdvsa.com/index.php?>

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=5319&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=5319&newsid_temas=111)

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

**Score:** A  B C D E

**Comments:**

The information regarding this subject is provided by field.

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p. 57.

<http://www.pdvsa.com/index.php?>

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 57

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

**Peer Review Comments:**

In PDVSA's "Informe de Gestión 2011", current and lagged production levels are presented only at the basin level - not by block or company. 2011's production levels are presented for an incomplete set of fields. Therefore B would be more appropriate to not give a full score.

**3.2.2.038.i: Quasi fiscal activities**

**Score:** A  B C D E

**References:**

Government Report - PDVSA, Julio 2011. Balance de la Gestión Social y Ambiental 2010 de Petróleos de Venezuela, S. A. p. 172.

<http://www.pdvsa.com/interface.sp/database/fichero/free/6770/1399.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p.148

<http://www.pdvsa.com/index.php?>

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6761/1390.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 148

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

**Peer Review Comments:**

Now again, no information is provided on the largest quasi-fiscal activity on which PDVSA is involved - the gasoline subsidy. Therefore the answer B is more appropriate to not give a full score.

### 3.2.3.038.j Disaggregated Revenue Streams

---

#### 3.2.3.038.j1: Production streams value

Score: (A) B C D E

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 200

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 204

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

#### 3.2.3.038.j2: Government s share in PSC

Score: A B C D (E)

**Comments:**

Production is undertaken by mixed enterprises (at least 60% state owned) with PDVSA mantaining operational control.

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009.

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011.

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

---

#### 3.2.3.038.j3: Royalties

Score: (A) B C D E

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 197

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 200

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011. p. 85

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

---

#### 3.2.3.038.j4: Special taxes

Score:  A  B  C  D  E

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 197

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 200

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011. p. 6

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

---

### 3.2.3.038.j5: Dividends

Score:  A  B  C  D  E

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 197

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 200

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011. p. 8

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

---

### 3.2.3.038.j6: Bonuses

Score: A  B  C  D  E

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 213

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

**Peer Review Comments:**

According to the "bonuses" definition established in the guide, I do not see this information in the quoted report, nor in the more updated versions of the "informe de gestión". My understanding is that PDVSA should not perceive this sort of revenue regularly. As part of the concession awards in the Carabobo block in 2010, PDVSA received \$5.730 million in this type of concession bonuses. Despite that this information was made public at the time, I did not find it in any regular report from PDVSA.

<http://informepetrolero.wordpress.com/2010/03/14/pdvsa-recibira-5730-millones-en-bonos-por-la-faja-del-orinoco/>

---

### 3.2.3.038.j7: License fees

Score: A  B  C  D  E

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009.

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

#### Peer Review Comments:

I understand that PDVSA does not pay this sort of fees.

---

### 3.2.3.038.j8: Acreage fees

Score:  A  B  C  D  E

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 197

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 200

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

### 3.2.3.038.j9: Other (Describe below)

Score:  A  B  C  D  E

#### Comments:

Detailed information about refining activities is published in Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010 (p. 107). PRODUCTION STREAMS VALUE: Detailed information about disaggregated revenue streams is published in Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestión Anual 2010 and also this information can be found in PDVSA's Financial Statement.

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 107

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6761/1390.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 106

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

#### Peer Review Comments:

I agree with the researcher's reasoning, and would add that information on internal market of oil byproduct revenues also accounts as "other revenues", but I would suggest that this information is ground for an "A" response.

### 3.2.4 Quality of reports

---

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

**Score:** A  B C D E

**Comments:**

PDVSA's annual reports lack of notes on methodology and comparaisons with other sources, but they have narrative sections and are generally comprehensive. Because of the lack of information on methodology and sources, we considered that the answer should be "b". The SOC reports Financial Statements usually lack methodological notes and are written in technical language.

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009.

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011.

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

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

**Score:** A B  C D E

**Comments:**

These reports are made annually, but usually their publication is made at the end of the first semester of the next year.

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011.

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009.

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011.

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

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

**Score:**  A B C

**Comments:**

Yes, the information about quasi-fiscal activities is available at the Annual Report, page 148. It shows narrative description of the involvement of PDVSA in social missions and also shows quantitative data. Also PDVSA publishes a Social and Environmental Balance (p. 172).

**References:**

Government Report - PDVSA, Julio 2011. Balance de la Gestión Social y Ambiental 2010 de Petróleos de Venezuela, S. A. p. 172.

<http://www.pdvsa.com/interface.sp/database/fichero/free/6770/1399.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p.148

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6761/1390.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 148

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

**Peer Review Comments:**

Published information does not account for the gasoline subsidy, which would be the largest QFA in magnitude.

---

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

Score: A  B C

**Comments:**

There is no information about the share of cost and revenues although the equity composition of the joint ventures is public knowledge.

**References:**

Interview with academic - Francisco Monaldi, Ph. D. Political Economy, Director Centro Internacional de Energía y Ambiente (IESA), March 9th, 2012, IESA.

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p.77

[http://www.pdvsa.com/index.php?](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6760/1389.PDF>

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 68

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011. p. 24

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

---

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:**

PDVSA 's Financial Statements are audited by the firm KPMG annually.

**References:**

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011.

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

Official Report: PDVSA, Estados Financieros Consolidados, PDVSA 2009, 2008. March, 2010.

<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>

---

**3.2.5.043.b: Are SOC audited reports published?**

Score:  A B C D E



**Comments:**

This financial statement report with the external auditor's notes (KPMG) has been regularly published for 2008, 2009 and 2010, including an interim report for 2010. Even that report does not include all the information it used to include the report to the US SEC. The reports of the internal auditors and "comisarios" are also not public as they used to be. Information is much more opaque than it used to be.

**References:**

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011.

<http://www.pdvs.com/interface.sp/database/fichero/free/7123/1514.PDF>


Official Report: PDVSA, Estados Financieros Consolidados, PDVSA 2009, 2008. March, 2010.

<http://www.pdvs.com/interface.sp/database/fichero/free/5889/1049.PDF>

[Download PDF](#)

# Venezuela - RWI Index Questionnaire

[Back](#)

Indicator	Score
3.3.1 <b>Legal Framework and Practice</b>	100 

## 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:

The Constitution establishes that Public Administration should follow transparency as a principle (Article 141), it is responsibility of each Minister to present a report of their activities during the first 60 days of every year (Article 244).

The Ley Orgánica de la Administración Pública obligues the Ministers to present balance of their management, which should be approved by the National Assembly.

The Decree 6.670 requires the diffusion of Ministry´s management results (Article 22, number 16).

#### References:

Constitución de la República Bolivariana de Venezuela Articles 141, 244, 311.

Ley Orgánica de la Administración Pública Articles 77, 78, 79, 80.

<http://web.laoriental.com/Leyes/L010N/L010nT3Cap5.htm>

Ley Orgánica de la Administración Financiera del Sector Público Articles 5, 71, 130.

<http://web.laoriental.com/leyes/213-220/L214T1Cap0.htm>

Decreto Nro. 6.670 sobre la Organización y Funcionamiento de la Administración Pública. Article 22, number 16. Gaceta Oficial 39.163.

<http://www.tsj.gov.ve/gaceta/abril/220409/220409-39163-26.html>

### 3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score:  A  B  C

#### Comments:

According to the external audit, the Financial Statements of PDVSA follow the NIC 34 (IASB) accounting principles. Since 2004 the have not pusblised a report using US GAAP for the SEC.

#### References:

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. P. 210

<http://www.pdvsa.com/index.php?>

[tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)

<http://www.pdvsa.com/interface.sp/database/fichero/free/6763/1392.PDF>

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011. p. 1

<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.PDF>

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

Score:  A  B  C

**Comments:**

Yes, they include all subsidiaries consolidated according to IASB standards, when they are published.

**References:**

Official Report: PDVSA, Financial statement, PDVSA 2010, 2009, 2008. June, 2011.  
<http://www.pdvsa.com/interface.sp/database/fichero/free/7123/1514.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

**Comments:**

The Ley del Estatuto de la Función Pública establishes in Title III, Chapter I, Article 17, point 8th that government officials must present a sworn declaration of their assets, this is a general law, it is not specific to the oil sector. However, this is not always enforced.

**References:**

Ley del Estatuto de la Función Pública Gaceta Oficial N° 37.522 September 6th, 2002. Title III, Chapter I, Article 17.  
[http://www.impm.upel.edu.ve/documentos/asesoria\\_juridica/leyes/ley\\_estatuto\\_funcion\\_publica.pdf](http://www.impm.upel.edu.ve/documentos/asesoria_juridica/leyes/ley_estatuto_funcion_publica.pdf)

---

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

Score:  A  B  C

**Comments:**

PDVSA's Management Statement publishes the composition of the Board of Directors, including the CV of each member. This information is also published in Gaceta Oficial, because the Board is designated by Decree.

**References:**

Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2010. Julio 2011. p. 30.  
[http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid\\_obj\\_id=9374&newsid\\_temas=111](http://www.pdvsa.com/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=9374&newsid_temas=111)  
Official Reports: Petróleos de Venezuela S.A. (PDVSA) y sus Filiales, Informe de Gestion Anual 2009. p. 29.  
<http://www.pdvsa.com/interface.sp/database/fichero/free/5889/1049.PDF>  
Decreto 8.237 - Se designa la Junta Directiva de la Empresa Estatal Petróleos de Venezuela SA Gaceta Oficial 39.681. May 25th, 2011.  
<http://www.tsj.gov.ve/gaceta/Mayo/2552011/2552011-3146.pdf#page=2>

---

**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 decision method used by the Board of Directors to make stands is simple majority. The President of the Board has the power to invoke an extraordinary assembly in case he doesn't approve the decision took by majority voting.

**References:**

Estatutos de PDVSA. Title IV, Chapter 1.

<http://www.pdv.com/index.php?>

[tpl=interface.sp/design/readmenu.tpl.html&newsid\\_obj\\_id=76&newsid\\_temas=6](http://www.pdv.com/index.php?tpl=interface.sp/design/readmenu.tpl.html&newsid_obj_id=76&newsid_temas=6)

[Download PDF](#)