



SPOKESPERSON V CONSTITUTIONAL GOVERNMENT



MEDIA RELEASE

June 6, 2013
Dili, Timor-Leste

Resource Governance Index 2013 Ranks Timor-Leste

Revenues from natural resources dwarf international aid. In 2011, the oil revenues of Nigeria were 60 percent higher than the total of international aid to all of sub-Saharan Africa.¹ The future of developing countries with oil, gas and minerals depends on how well they manage these resources. Timor-Leste has been a key advocate of transparency, accountability and good governance in the Petroleum sector. Timor-Leste was the first country in Asia and the third in the world to become compliant with the Extractive Industry Transparency Initiative (EITI). Now there are 23 compliant countries, 16 candidate countries and 33 countries that have produced EITI reports.

Timor-Leste's efforts have been highlighted in the 2013 Resource Governance index (RGI). The RGI produced by Revenue Watch assesses the quality of four key governance components: Institutional and Legal Setting, Reporting Practices, Safeguards and Quality Controls, and Enabling Environment. Timor-Leste's overall ranking was 13 and compared to other hydrocarbon countries assessed in totality (rather than one region) the ranking measures at 9. Regional partners scored well, including Indonesia whose ranking was 14. Norway ranked number 1 on the RGI. Timor-Leste's Petroleum Fund scored 5th globally.

To further analyze the rankings with areas assessed only on hydrocarbons (not minerals) and minus countries not assessed in totality, some component rankings were higher. For Institutional and Legal setting, Timor-Leste ranked 8, in Reporting Practices 4, in Safeguards and Quality Controls 11, higher than both Australia and Russia. With only a little over a decade into nationhood, Timor-Leste's score on Enabling Environment ranked low given the newness of the country and the challenge of building an economy from scratch. Ecuador received the same ranking as Timor-Leste in Enabling Environment ranked at 28.

As of mid-May the balance of Timor-Leste's Petroleum Fund was US \$13.6 billion. The average annual investment return of the Fund since its inception in September 2005 to the end of March 2013 is 4.2% and the monthly average revenue from Petroleum receipts since January this year is US \$324 million.

¹ Revenue Watch 2103 Resource Governance Index. Total Official Development Assistance flows to sub-Saharan Africa amounted to \$42 billion in 2011 (Organization for Economic Co-operation and Development), while total Nigerian oil revenues reached \$68 billion (Nigeria Extractive Industries Transparency Initiative).



Ágio Pereira
+670 77045002
agio.pereira@cdm.gov.tl
govtmedia@gmail.com
www.timor-leste.gov.tl

Government Spokesperson, Minister Agio Pereira noted “Good management of natural resources is a key step to sustainable development. As Revenue Watch states, aid is dwarfed by the amount of resources many developing countries have and can contribute to the global economy. This is why it is critical to make a major step change in the way we do business to ensure a new era of transparency, equitability, fairness and accountability amongst all stakeholders in the resource sector, especially the companies that explore and exploit, and the Governments that must protect and promote these resources for the good of their People.”

ENDS



Ágio Pereira

+670 77045002

agio.pereira@cdm.gov.tl

govtlmedia@gmail.com

www.timor-leste.gov.tl