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POOR GOVERNANCE AND BAD POLITICS UNDERMINING ZIMBABWE'S EXTRACTIVE SECTOR

HARARE: politicization of natural resources in Zimbabwe is undermining democracy and community rights, according to a new index analyzing the governance of natural resources released today.

[Revenue Watch's Resource Governance Index](#) measures the quality of governance in the oil, gas and mining sector of 58 countries worldwide. Together these nations produce 85 percent of the world's oil, 90 percent of diamonds and 80 percent of copper, generating trillions of dollars annually. Each country, from Norway to Myanmar, is ranked according to four criteria:

- *Institutional and Legal Setting:* Laws and systems that facilitate open, accountable government
- *Reporting Practices:* The information governments actually share with the public
- *Safeguards and Quality Controls:* The checks and balances in place to follow the money
- *Enabling Environment:* The broader policies and practices that support democracy, transparency, accountability and rule of law

Of the 58 *Index* countries, only 11 are doing a satisfactory job, ranking high in all four criteria. Whilst the *Index* average score was 51, Sub Saharan Africa had an average country score of 44 on a score sheet of 100. Zimbabwe was ranked 51 out of 58 countries, with a failing score of 31.

Resource-rich countries have struggled with this governance paradox for far too long. The opportunity for these nations to experience social and economic independence is there—the problem is that too often weak institutions, corruption and a lack of transparency and accountability obstruct the path to development.

Some countries prove it is possible to lift the veil of secrecy and meet higher standards of transparency and accountability. “The *Index* research reveals a governance deficit in how transparent and accountable countries are with their natural resources,” said Daniel Kaufmann, president of Revenue Watch. “But by pointing to reforming states and to solutions, we reject the tired notion of the deterministic ‘resource curse’,” Kaufmann added.

The *Index* offers recommendations for both highly-ranked countries like Brazil and low-ranking countries like Afghanistan. From disclosing contracts to passing a freedom of information act to improving state-owned company oversight, there are many ways for governments of resource-rich countries to become more effective and accountable to their citizens.

“The Resource Governance Index gives a panoramic view of resource governance worldwide, highlighting success stories and also showing those countries endowed with abundant natural resources and yet their peoples remain marooned on the no-man's land between dictatorships and abject poverty. The index is not vindictive but rather therapeutic in that it offers constructive recommendations for action,” said Farai Maguwu, Executive Director of Centre for Natural Resource Governance in Zimbabwe.

For more details on the Index data and the report, visit www.revenuwatch.org/rgi.

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