

CHAPTER 7 – www.eisourcebook.org

7.7 Action Tools

The development of open fiscal models has been carried out by EI Source Book partner, CCSI, in conjunction with various specialist institutions. Two early instruments deserve mention. Firstly, there is an open fiscal model for LNG, that allows users to test different LNG commercial structures, to compare domestic gas use options and to assess the impact of various fiscal tools along the gas value chain. Alongside the tool, there is a Manual which explains the basic concepts around the LNG value chain and to assist in using the tool.

A second fiscal tool (developed with IBIS) focuses on gold benchmarking. It allows users to compare ten fiscal regimes of gold producing jurisdictions. There is also the option of inserting the fiscal terms of an additional mining contract. Benchmarking needs to be done among peer group countries (with a similar geology, infrastructure and political risk). So in a pilot study, the model included the fiscal terms of various countries chosen by the Africa Center for Energy Policy in Ghana and the LATINDADD in Peru.

The CCSI Open Fiscal Modeling text and links are live for both Africa and Latin America, as follows:

http://www.eisourcebook.org/867_LatinAmerica.html

http://www.eisourcebook.org/864_Africa.html

These are only examples of a growing number of open fiscal models available. Others include the IMF's FARI model (<http://www.imf.org/external/np/fad/fari/>) and others developed by OpenOil for projects in Tanzania, Afghanistan and Chad (all available via <http://openoil.net/contract-modeling/>).

The advantage of such open models is that they enable informed conversations and level the playing field between government agencies and between governments, companies and civil society. More information is becoming publicly available through the EITI reporting requirements so models such as these can absorb and utilize such data.