



Preliminary Revenue Watch Institute Analysis of Iraq-Shell Heads of Agreement

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Executive Summary

1. The Heads of Agreement (“HOA”) document signed on September 22, 2008 between representatives of the Iraqi Ministry of Oil (“MO”) and Shell Gas & Power Developments B.V. (“Shell”) contains several features that threaten to dramatically limit the long-term benefits that accrue to the Iraqi population from the natural gas in Basra province. The document envisions the ceding of operational control over all associated and non-associated gas in the province to a Shell-managed Joint Venture (“JV”) in a deal that is out of step with current international norms on the scope and duration of concessions, and gives Shell wide latitude to allow its standards and priorities — rather than the government’s — to drive the fiscal and management decisions that will control the gas sector for years to come. The financial relations sketched out in the HOA risk conferring most of the upside benefits of future price or production increases to the company, while leaving the government with significant downside risks. And the mechanisms discussed for transferring processed gas between the JV and the MO make it possible that little gas may be made available for domestic consumption, ostensibly a key goal of the agreement.

2. Heads of agreement are typically not considered binding contracts except to the degree that they explicitly purport to be binding. Rather they constitute broad “agreements to agree,” and lay out certain expectations for the ongoing efforts to negotiate formal contracts. As such, there may be opportunities for Iraqi government officials, civil society advocates, and international advisors to argue for changes before a binding contract is finalized.¹

3. This memorandum represents Revenue Watch Institute’s (RWT’s) initial desk-based analysis of the HOA, based on a review of the document and RWT’s comparative experience analyzing the impact of oil and gas contracts on national populations throughout the world. The key overarching risk presented by the HOA is that it gives the government too little ability to develop the gas sector in line with its core public policies, instead envisioning structures in which Shell has expansive authority to manage Basra’s gas in line with the company’s goals. The memorandum discusses six specific iterations of this problem:

¹ In clause 17 of the HOA, the parties explicitly stipulate that most of the document is not binding, with the exceptions being provisions on costs incurred before a formal contract is signed; commitments not to discuss similarly-scoped gas projects or enter into any other LNG projects in the designated zone “throughout the [one-year] term of this HOA”; and fast-track procurement by parties before a formal JV is signed; as well as procedural provisions on confidentiality, arbitration, choice of law, and indemnification.

- i. The granting of long-term exclusive rights to the Shell-led JV for all gas produced (including associated gas and LNG) in an area as massive and geologically fertile as Basra province is out-of-step with international norms, and threatens to deprive Iraq of many of the benefits that stem from competition in the sector;
- ii. The proposed mechanism by which the JV would compensate the government for the gas it sells — a flat fixed percentage of revenues — risks giving disproportionate benefits to Shell in the event that production and prices are high, without guaranteeing substantial revenue to Iraq in the event of low prices or sufficiently compensating the country for its resources during booms;
- iii. By giving Shell the sole authority to create the economic model on which the compensation percentage will be based, the HOA lays the groundwork for fiscal negotiations conducted on the company’s terms, in which the government lacks an objective financial analysis on which to base firm negotiating positions for a regime that serves national interests;
- iv. The document includes insufficient provisions for government oversight of operations during the period of the HOA, giving Shell an effective veto over all decisions of the Joint Management Committee and the lead role in finding an additional partner for the JV and conducting the major engineering, geological, and other technical planning work under the agreement;
- v. The HOA does not put in place adequate provisions to ensure that gas will be available for domestic use within Iraq at quantities and prices necessary for the country to use the resource as an engine for the development of national power and industrial sectors;
- vi. The document gives precedence to Shell’s internal standards for corporate governance, health, safety, security, and environment, rather than consistently holding the JV to international best practice and Iraqi law.

Terms and Context of the Agreement

4. The HOA represents a commitment by MO and Shell to “jointly evaluate the potential establishment” of a 25-year extendable JV with exclusive rights to take, process, and market all natural gas produced in the “South of Iraq,” defined to include the Governorate of Basra, as well as some portion of the offshore Persian Gulf, sketched out on an appended map without precise geographic coordinates. The JV envisioned would initially be 51% owned by the South Gas Company (“SGC”) and 49% owned by Shell, though approval of both parties would be needed for management decisions (Clauses 3(a) and 3(b)). The HOA is to last for a term of 12 months from the first meeting of a Joint Management Committee (“JMC”) composed of representatives of the company and the government, unless it is superseded by the formation of a definitive contract between the parties (Clause 11).

5. The HOA and public statements made by Shell and Iraqi government officials have indicated that the primary motivation for the deal is to reduce wasteful flaring of associated gas being produced by the region’s oil fields, and to harness that gas to generate revenue and supply the development of the country’s power and/or industrial sectors.² The exploitation rights envisioned under the HOA,

² For public comments, *see, e.g.*, Ben Lando, *Analysis: Iraq, Shell Move to Gas JV*, ENERGY DAILY, September 23, 2008, at http://www.energy-daily.com/reports/Analysis_Iraq_Shell_move_to_gas_JV_999.html; *Iraqi Oil*

however, are not limited to associated gas, but also include exclusive rights for the JV to all non-associated gas in the South of Iraq, an addition that the HOA deems “essential to ensure that the [flaring-reduction] aims of the JV are met” (Clause 2(f)).

6. The gas exploitation rights implicated in the HOA are potentially lucrative. The Energy Information Administration indicates that Iraq has the tenth-largest proven gas reserves in the world, with a sizable percentage of them located in this southern region.³ Most of the known reserves in the region are associated — recent estimates indicate that somewhere between 400,000 and 700,000 Mcf per day were being flared in Southern Iraq.⁴ Many analysts believe that there is the potential for a significant expansion in gas production in the region, both via associated gas as oil production increases, and via exploration of probable reserves in additional non-associated fields.⁵

7. The HOA was signed in an environment of uncertainty in the Iraqi petroleum industry, as the national petroleum law has not been enacted and major debates about energy and industry policy — both of them crucial to the development of comprehensive strategies for downstream gas usage — are ongoing. There has been little detail in the English-language press on the process by which the HOA was agreed, but there does not appear to have been an open, competitive process for the submission of proposals,⁶ and the HOA itself indicates that the negotiations began with a direct submission by Shell to MO (Recital a).

Analysis: Excessive Ceding of Acreage and Authority

8. RWI’s preliminary examination of the terms of the HOA⁷ has revealed major points of concern that the Iraqi authorities should examine carefully before finalizing any contracts of the sort envisioned in the document. The agreement envisions a system in which the JV has near-total control over all gas produced in the region for decades, potentially depriving Iraq of the benefits derived from competition, including maximum flare-avoidance and the development of smaller fields with significant revenue-generation potential. It sets the stage for decisions about exploration and technical operations to depend more on Shell’s economics than on national development priorities. It sketches out a pricing arrangement that may disproportionately transmit benefits to the company. And it provides insufficient mechanisms to ensure that gas will be made available for domestic consumption at prices tenable for both Iraqi downstream managers/regulators and consumers.

9. This section discusses several of the most significant risks posed by the HOA. Since most of the HOA is non-binding and leaves room for refinement during the ongoing JV contract negotiations,

Ministry Defends No-Contest Gas Deal With Shell, PLATTS, December 1, 2008, at <http://www.platts.com/Oil/News/9653304.xml>.

³ Energy Information Administration, *Iraq Country Analysis Brief*, August 2007, at <http://www.eia.doe.gov/cabs/Iraq/NaturalGas.html>.

⁴ Faleh al-Khayat, *Iraq Supports Shell Gas Development Deal*, PLATTS OILGRAM NEWS, September 9, 2008; *Pressure Mounts on Shell Iraq Gas Deal*, MIDDLE EAST ECONOMIC SURVEY, at <http://www.zawya.com/Story.cfm/sidv51n44-1TS01/Pressure%20Mounts%20On%20Shell%20Iraq%20Gas%20Deal/>.

⁵ EIA, *supra* note 3; Ben Lando, *Shell-Iraq Gas Deal Could Give Company 25-Year Monopoly*, ALEXANDER’S GAS & OIL CONNECTIONS, November 11, 2008, at <http://www.gasandoil.com/goc/company/cnm85006.htm>.

⁶ MEES, *supra* note 4.

⁷ This analysis focuses explicitly on the content of the HOA, not on its validity under contract law or the Iraqi Constitution. It is important to note that this analysis is based on a reflection upon the terms of the agreement based on international experience in the oil and gas industry, and that more thorough consultations with the key players within Iraq would be necessary in order to conduct a comprehensive analysis of the potential impact of the Shell agreement and the alternative policy choices available to Iraqi leaders.

some of the risks discussed here could be addressed within the broad context of the Shell-MO relationship spelled out in the HOA. Other risks — most notably those associated with the exclusivity accorded to the Shell JV over the entire province — are inherent in the fundamental structure of the relationship envisioned, and would be difficult to rectify if the government decides to proceed with contracting under the HOA.

i. Size, Term, and Exclusive Scope

10. The biggest problem with the system envisioned in the HOA is that it gives the Shell-SGC JV exclusive control over as large and fertile an area as Basra governorate for an extendable 25-year term. This arrangement creates the risk of giving Shell de facto control over the gas development decisions in the province — a function that is best performed by the government’s policy-setting organs — for decades.

11. By establishing that Shell and its partners will constitute “the sole gas company” charged with “providing gas for domestic and export markets and generating revenues from gas marketing activities” in Basra (Clause 3(k)), the HOA-envisioned system would inexorably link the choices about which fields to develop and how much money to invest in various areas throughout the province to the priorities of a single corporate entity. Governments in gas-producing countries throughout the world with well-known geological endowments (including the United Kingdom, Trinidad and Tobago, Norway, and Angola) have moved toward promoting increased competition by granting companies contractual rights over much smaller geographic areas.

12. The benefits of competition are multi-fold. When a government awards exploration/exploitation rights on a limited basis, it retains the ability to decide when and how to develop its fields, and to seek partners for the development of each field that can optimally carry out the government’s priorities. By contrast, when rights to all of the explored and unexplored fields within a large geographic area have been granted to a single partner, that partner will choose which fields to prioritize and where to focus investment dollars in light of its own worldwide strategy, based on an analysis of potential returns on its investment within the country and internationally. Thus there may be instances in which Iraqi government strategy would otherwise dictate the rapid development of a medium-sized field, and in which dozens of companies would be interested in operating, but in which Shell faces better returns investing its limited dollars and equipment elsewhere, thus leaving non-associated fields undeveloped or associated gas flared (or reinjected).

13. Competition also enables governments to better react to changes in market conditions, technology, or public policy priorities. This is especially valuable in the natural gas industry, where both supply and demand markets are extremely dynamic, and where technologies continue to evolve. Locking up rights to Southern Iraq for the next 25 years would mean that the government would not be able to innovate contracts for new development areas that reflected the evolving industry realities.⁸

⁸ Clause 3(g) of the HOA does provide that the “compensation for Raw Gas will be adjusted (both upwards and downwards) if certain economic parameters such as the fiscal regime or cost structure of the Joint Venture undergo significant changes resulting from e.g. changes in the industry cost environment, gas composition and gas pressure.” But this provision appears to reflect only the percentage of market price paid by the JV to the government as compensation for the gas it takes, not the underlying financial structure that sets the broad terms for payments, nor does it allow for the possibility that different partners or management structures would be more appropriate in an altered market environment.

14. The government may be able to mitigate some of the risks that Shell's economics will dictate that large amounts of associated gas will continue to be flared by putting in place stringent zero-flaring policies and developing appropriate penalties and enforcement strategies to ensure that the JV adheres to them. The HOA lays the groundwork for such a system by asserting that the JV will be responsible for purchasing all gas produced in the region by SGC or any other producer (Clause 3(g)). But much more stringent regulations will be necessary to ensure that this commitment translates into a firm adherence to a no-flaring policy.

15. In light of the stated precedence given in the formation of the HOA to the utilization of associated gas, the benefit of including rights to all non-associated gas in the region is particularly questionable. The document's statement that "access to non-associated gas is essential" to flaring reduction is made without justification, and appears to run counter to economic logic in light of the vast quantities of marketable associated gas present in Southern Iraq and the relatively low cost of associated gas extraction (as compared with the more complex operations necessary to develop non-associated gas). The addition of the access to non-associated gas thus may represent a multi-billion dollar benefit conferred upon Shell over and above what would have been necessary to meet the stated goal of associated gas development.⁹

16. One particularly massive benefit that the HOA envisions bestowing on Shell comes in Clause 3(j), which declares that, "Shell (and/or its affiliates) will off-take and purchase any LNG produced by the Joint Venture." Building liquefaction facilities would require heavy capital investments by the JV, to which MO/SGC would be expected to contribute in line with its shareholding. Giving Shell the right to off-take all of the LNG produced in the region, which could represent billions of dollars in value — rather than having the JV sell the LNG on the shareholders' behalf or giving the shareholders the right to sell it on their own in line with their percentage holdings — represents an unusual fiscal arrangement, and one that risks transferring a major share of the revenues arising from Iraq's resource endowment (and from the government's capital investments) directly to Shell.

17. All agreements for the production of oil or gas require a complex balancing of risks and must give private companies sufficient opportunities for profit so as to justify the large necessary upfront investments required. Given the political risks still present in Iraq, the Iraqi government must remain particularly sensitive to developing agreements that generate opportunities for significant returns. But the biggest factor in the attractiveness of a region for investors is geology, and given the known geologic fertility of Basra province — and the large-scale interest on the part of dozens of investors in investing in the Iraqi sector — it is not apparent that it is necessary to grant such a large swath of exclusive access concurrently in order to attract substantial investment from a well-qualified gas company. Certainly, without conducting a public bidding process for the rights or, at a minimum, a detailed independent economic assessment of the prospects in the region, the government would have great difficulty knowing with certainty that such a large-scale ceding is necessary.

ii. Pricing Mechanism

18. Clause 3(h) of the HOA sketches out the structure by which the JV would compensate Iraq for the raw gas it would take for processing and marketing.¹⁰ Compensation would be based on a simple

⁹ The exact value of the non-associated gas deposits present in Southern Iraq is not known, in large part because exploration efforts in the region are incomplete. This fact does not diminish the risk associated with granting Shell long-term access rights; in fact, the ceding of non-associated gas development from a position of limited knowledge heightens the risk that the fiscal provisions developed will disproportionately benefit Shell.

¹⁰ Note that since the government, through SGC, is a 51% stakeholder in the company, 51% of the compensation paid by the JV represents payments made by the government. The government/SGC would

fixed percentage of the JV's revenues, sold at prices linked to international market prices (it is not specified whether compensation for associated gas will be made directly to the Iraqi treasury or to SGC or other operating oil companies). The HOA does not specify whether the base of calculation will be gross revenues or net revenues, but either way, this sort of flat-rate compensation threatens to distribute a disproportionate share of the benefits to the private operating company in the event of higher-than-expected price or production. If the compensation is based on a percentage of gross revenues, as revenues increase at a higher rate than production costs, a greater share of revenues will represent net profit for the company. If the compensation is based on a percentage of net revenues, then all costs incurred by the JV would be recovered before the compensation percentage is calculated, and the compensation percentage would be based directly on profit; again, as revenues rise and the percentage remains flat, the pure profit of the company increases, sometimes far beyond the levels that would be necessary to satisfy investor requirements.

19. It is important for companies to reap benefits from increases in prices and production, but if company profits increase steeply in the face of high prices or booming production, citizens and governments often demand a higher government take. Since companies tend to accept only contract terms that provide them a certain floor on returns even in the event of *low* prices or production,¹¹ citizens frequently demand that the state accrue a heavy share of windfalls when they occur. This can result in political pressures to renegotiate or otherwise destabilize the agreement. Many governments and companies seek to mitigate this risk — and guarantee that producing countries will accrue a large share of the upside benefit of market changes — by incorporating some progressivity directly into contracts.

20. Clause 3(h) asserts that the compensation will be adjusted, “both upwards and downwards,” if “certain economic parameters such as the fiscal regime or cost structure of the Joint Venture undergo significant changes resulting from e.g. changes in the industry cost environment, gas composition and gas pressure.” The criteria by which such an adjustment will be determined are not specified, and there is some possibility that this clause will be used to further guarantee a floor on the JV's return, which would serve to exacerbate the government's share of risk in the event of low prices or production. Even if the clause is read to give the government a platform for seeking an increased share of eventual windfalls, it is most stable if progressivity is incorporated into the fiscal terms from the beginning, rather than requiring new negotiations in the sort of politically-charged context often associated with changes in market conditions. Governments often do this via variable-rate royalties; production-sharing arrangements that give the government a heavier share of gas in the event of higher production, price, or rate of return;¹² or windfall profit tax arrangements that apply in the event of a particular level of return or revenue.

21. It is important to note that while the HOA does not explicitly make reference to the broader Iraqi tax regime or petroleum law, Shell will presumably be subject to corporate income taxes and other charges during the conduct of any operations in Iraq. Fiscal regimes must be analyzed by

also be responsible for contributing to capital and expenditures incurred by the JV, though the value of non-cash assets contributed by the government will count toward this 51%. Valuation of government assets is frequently a source of controversy, and the government and its partners would have to put in place mechanisms to ensure that their value is properly reflected.

¹¹ This is especially common when the company plays a dominant role in constructing the economic models on which contracts are based, as is discussed below.

¹² A distinguishing feature of production sharing agreements is that the split in “profit gas” is made after allowable (equity-owner-borne) costs of production, which in many regimes can represent less than 100% of all costs in a given year, have already been recovered. Thus the relative return to the government increases as the relative profitability of the venture increases.

examining the total impact of all tax and compensation mechanisms, and MO and the company should take these charges into account when negotiating the terms of any contract. Uncertainty about the tax regime or broader provisions of Iraqi petroleum law will complicate negotiations and may prompt Shell to seek to extract a higher risk premium.

iii. Shell Provision of Economic Model

22. Clause 3(h) of the HOA provides that the number selected for the compensation percentage discussed above will be based on an economic model that Shell provides to MO. This arrangement imposes a serious risk that frequently undermines the efforts of new governments negotiating with experienced petroleum companies. As a corporation committed to the needs of its shareholders, Shell will construct an economic model that maximally protects the company against risk, at the expense of the size or certainty of returns to the government. If the negotiation is conducted according to the assumptions put forward by the company about prices, production volumes, capital and operating expenditures, and discount rate, the odds increase substantially that the compensation regime put in place will maximize Shell's upside benefits while eliminating most of the company's downside risks.

23. RWI recommends strongly that MO secure an independent economic model, so that it can negotiate with a firm understanding of various scenarios and a more objective view of the risks and opportunities inherent in gas production in the region.

iv. Oversight of Technical Operations

24. The discussion of the obligations of the Ministry and of Shell suggests that almost all major geological, engineering, and other technical work being conducted while the parties are making preparations under the HOA — including site verification surveys, desktop assessments of current operations, the drafting of a South Gas Development Agreement to lay out the projects to be undertaken, and the design of gas gathering projects and LNG facilities — are to be led by Shell (Clause 5). Shell is also given the dominant role in introducing a perspective new partner into the JV and “lead[ing] any discussions” with the prospective new partner (Clause 10). The Ministry's obligations focus on assisting Shell, by facilitating permitting, furnishing access to resources and information, and working to formalize and approve development agreements and other mechanisms (Clause 6). Day-to-day decisions on key activities and costs during the period of the HOA are to be made by a Joint Management Committee (“JMC”) composed of three representatives each of Shell and MO. Decisions of the JMC must be unanimous, giving both parties an effective veto over its actions (Clause 4). The HOA also provides that when the JV agreement is finalized, it will “apply Shell standards and processes in its operations, will procure technology, technical support, and related matters from Shell and/or its affiliate(s) who will be the lead provider of technical and operational support to the Joint Venture” (Clause 3(c)).

25. It is perfectly reasonable for a government — especially one facing as many capacity obstacles as Iraq's — to rely heavily on the expertise of private-sector partners in technical operations. But combined with the central role envisioned for Shell role in setting the economic model, these provisions risk giving the company wide latitude to drive the path and pace of development of the gas sector. Decisions like when and how to design LNG facilities, how to sequence investments in refurbishment and flare reduction, and how to balance investment in export sectors with infrastructure necessary to process gas for the domestic market involve fundamental public policy choices. So, too, does the decision about which additional partner to select and how to conduct the

negotiation process with that partner.¹³ If it decides to move forward under the HOA, the government would be well-advised to supplement the technical assessments being conducted by Shell with independent reviews of current operations and potential, to exert substantial scrutiny with development plans, and to assert a lead role in the examination of potential new partners. The government should also seek to maintain some form of regulatory check on the activities of the JMC, so as not to give Shell a de facto veto over core policy decisions. This regulatory control should continue during the period of JV operations, so that the government can oversee decisions, especially on issues where operators have a tendency to inflate costs or otherwise reduce tax liability, such as “gold-plating” technical operations, contracting with related parties, or taking on excessive levels of debt financing.

v. Provision of Domestic Market Supply

26. In addition to revenue generation, a flourishing gas industry can offer a producing country a stable, affordable source of fuel for the development or reconstruction of domestic power and industrial sectors. This represents an area of special need for post-Saddam Iraq. But the abundance of gas reserves does not, on its own, guarantee viable domestic supply, and the HOA does not provide sufficient assurances that gas will be available at prices affordable to Iraqi providers and end-users.

27. The risk that insufficient affordable gas will be available for domestic consumption stems from a combination of two factors. The first is that while the parties “anticipate” that the JV will make some quantity of gas available for domestic consumption — either via direct sale to consumers or sale to MO — it does not spell out any mechanisms to determine how these domestic rights will be exercised or to require the JV to reserve some supply for the domestic market in spite of potentially lucrative export opportunities (Clause 3(i)).

28. The second risk factor is that the HOA envisions that gas furnished by the JV to MO or consumers will be sold at “prices linked to world market prices” (Clause 3(i)). Requiring consumers in producing countries with low per-capita GDPs to pay world market prices can seriously limit the positive impacts of the gas sector on domestic power and industry, and can spur destabilizing social discontent. Alternatively, asking domestic power-suppliers to absorb losses while furnishing cheap supply to consumers can damage the long-term viability of the sector.

29. Governments have employed several mechanisms to ensure a steady supply of affordable gas to domestic markets, including production-sharing agreements that give public bodies a physical share of gas produced; in-kind payment for some portion of royalties or other payments due from operators to government; and rights of first refusal for some portion of gas. Some agreements also provide for gas to be made available by operators to domestic bodies on a cost-plus basis or indexed to a regional price index or other specialized commodity market, rather than at global market prices. Such an arrangement carves back some of the profitability of the venture from the standpoint of the private company, so the parties might need to make adjustments to other parts of the fiscal regime in order to ensure that the benefits and risks remain properly balanced. Tying domestic market prices to a formula that sometimes results in sub-market prices also bears other risks, including distorting consumption patterns and discouraging efficiency improvements in power supply and distribution bodies. Thus the government needs to make policy decisions extremely carefully, and to consciously link the regimes governing gas extraction and transfer to long-term national development plans.

¹³ Among other reasons, an additional partner, if selected by the government, may share a strong interest in independently monitoring the JV’s expenditures, and thus may provide key assistance in the very complex tasks of expenditure control and auditing.

vi. Corporate Governance, Health, Safety, Security, and Environment

30. The HOA includes a laudable recognition of the importance of holding the JV to objective standards on “Business Ethics, Respect of the Environment, Social Impact, and Respect for Local Communities” (Clause 3(d)), as well as “Health-Safety-Security-Environment” (Clause 3(e)). They currently require Shell to apply the standards Shell uses in “its worldwide operations.” Firmer protection would be provided by a provision that held the JV to standards of international best practice, and also required it to satisfy the requirements of Iraqi law on all HSSE and corporate governance issues.¹⁴

Conclusion

31. The Iraqi government should conduct a serious review of the potential impacts of the terms and conditions spelled out in the HOA — including procuring independent financial models and geologic assessments, and reviewing alternative proposals — before finalizing contracts of the sort envisioned in the document. The HOA sets the stage for a relationship in which Shell has dominant authority over all associated and non-associated gas throughout Basra for at least 25 years, making decisions about where and how to invest on the basis of obligations to its shareholders rather than the national priorities of Iraq. Because of the massive revenue streams at stake and the links of upstream development to downstream energy needs, governments must take care to ensure that contract regimes governing the gas sector are flexible and linked to well-developed public policy strategies. The Iraqi state has an urgent need for revenue flows and flaring reduction, but by entering now into an exclusive long-term deal for such a large basket of exploitation rights, and with so many mechanisms by which Shell can set the agenda for development, the HOA risks severely limiting the long-term benefits Iraq will gain from its gas endowment and hindering the stability of the sector, for both citizens and investors.

The Revenue Watch Institute (RWI) is a non-profit policy institute and grantmaking organization that promotes the responsible management of oil, gas and mineral resources for the public good. With effective revenue management, citizen engagement and real government accountability, natural resource wealth can drive development and national growth. RWI provides the expertise, funding and technical assistance to help countries realize these benefits.