



global witness

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## Global Witness stands by findings on Sudanese oil data

Campaign group Global Witness today refuted claims that it had apologized for the findings of its September 2009 report, *Fuelling Mistrust*, on the lack of transparency in Sudan's oil sector. The organisation said that although very important commitments on improving transparency were made recently by the Government of National Unity (GoNU), the full disclosure of oil revenue data and the results of an independent audit remain necessary to prove the concerns were unfounded.

Following a government-sponsored seminar in August on transparency in the oil sector, various national and regional media outlets erroneously reported that Global Witness had retracted previous statements and was no longer concerned about the accuracy of oil revenue figures.

"Global Witness has at no point expressed satisfaction with the accuracy of oil production figures published by the Sudanese government," said Campaigns Director Gavin Hayman. "While we welcome the Government of National Unity's public commitments to provide more oil revenue data and to complete an independent audit of the oil sector, until these things actually happen we, and more importantly the citizens of Sudan, will remain unable to trust that the wealth-sharing agreement is being implemented fairly."

The August 18 seminar in Khartoum was organized by the Ministry of Petroleum in response to Global Witness' September 2009 report, *Fuelling Mistrust*, which identified significant and continued discrepancies between the oil revenue figures published by the government and those published by the main Chinese company operating in the country, the China National Petroleum Corporation (CNPC). The differences in reported production figures varied between 9% and 26% for different oil blocks between 2005 and 2007.

Part of the explanation offered at the seminar by CNPC was that companies were consuming oil in processing and transport; it was claimed this could account for as much as 9% of production. A different explanation given by the government was that the amount of water in the oil was inflating the volume figures.

While Global Witness certainly welcomes these insights, the organisation wants to see the relevant data behind them in order to be able to fully understand and verify these explanations. The documentation is not currently available to the public.

"No one should be complacent that the explanations given by the GoNU and CNPC were correct or even consistent," added Hayman. "It is also worth noting that unlike the oil blocks located in the south, there was almost no difference between the published production figures for Block 6, which is located entirely in the north and therefore not subject to the wealth-sharing agreement."

There are other unanswered questions about important aspects of Sudan's oil sector, particularly the price of oil sales and the costs claimed back by oil companies, both of which can only be answered via an independent audit. At the seminar the GoNU announced that the Terms of Reference for this audit have been signed off by both the north and south, though Global Witness has not yet seen them.

"The relevant documentation must be made available and a verifiable transparency mechanism built in, to prove that the oil revenues are being shared in line with the Comprehensive Peace Agreement," said Hayman. "Given the role of the wealth-sharing agreement in promoting peace both now and after the referendum, full clarification of these discrepancies remains absolutely critical."

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