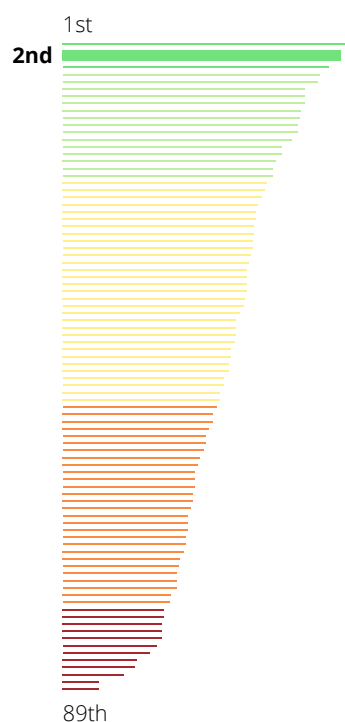


Chile

MINING

Chile's copper mining sector scores 81 of 100 points and ranks second among 89 assessments in the 2017 Resource Governance Index (RGI). Chile's good enabling environment, ranking sixth, is a main driver of its good performance in the index. Chile's state-owned mining company, Codelco, is the best performer out of 74 state-owned enterprises assessed in the index. With just over 200 million metric tons, Chile hosts the world's largest copper reserves,¹ and mining constitutes 54 percent of its total exports.²

CHILE: RGI SCORE AND RANK



CHILE: RGI AND COMPONENT SCORES

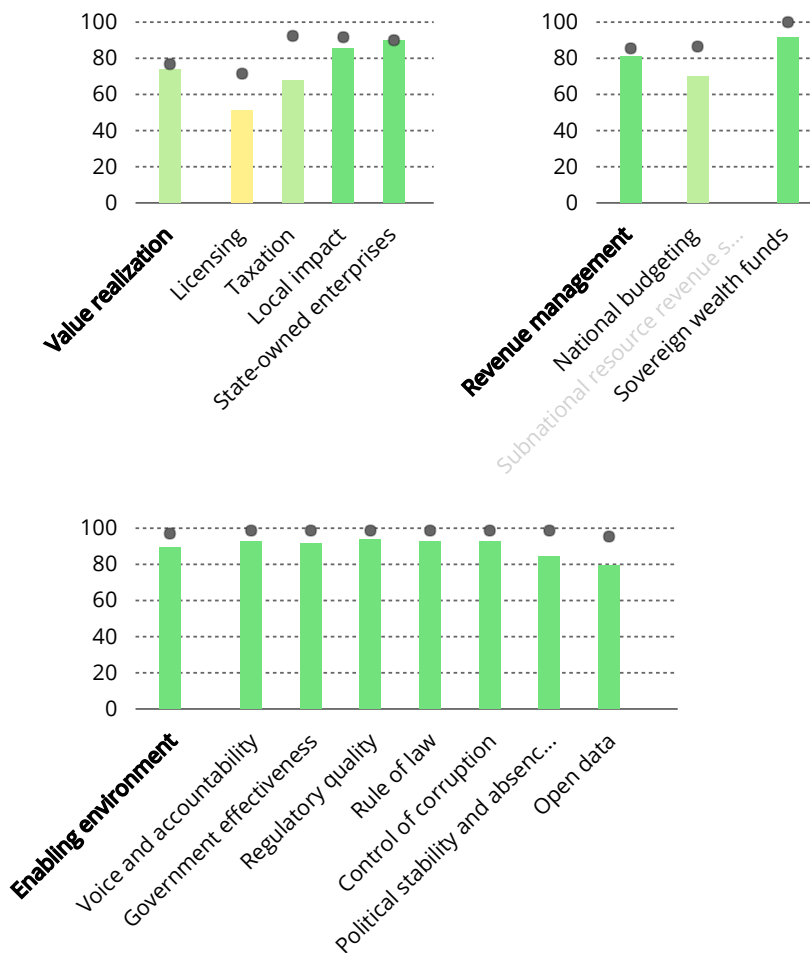


Index results summary

CHILE'S NATURAL RESOURCE GOVERNANCE IS THE BEST IN LATIN AMERICA

The highest ranking country in Latin America, Chile performs 23 points above the regional average. A supportive enabling environment facilitates good revenue management and satisfactory value realization, with scores of 90, 81, and 74 out of 100, respectively. Its performance is consistent across the extractive sector decision chain.

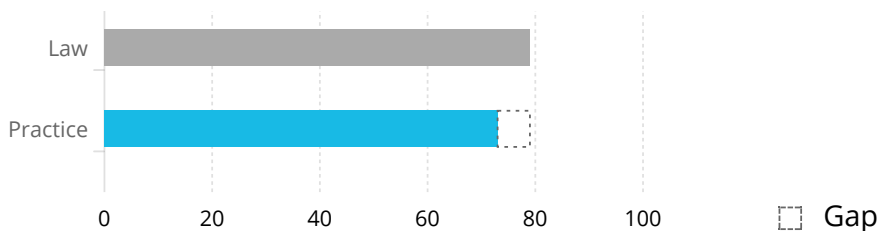
CHILE: SUBCOMPONENT SCORES



● Best index score

Chile serves as an example for its neighbors with a score of 86 of 100 points in local impact and 90 of 100 for its state-owned enterprise. Transparency about environmental impact assessments is a key strength. The only area where Chile shows weak performance is licensing. With score of 51 of 100 in this category, Chile can further optimize its resource governance by encouraging contract disclosures and increasing transparency related to financial interests.

CHILE: LAW AND PRACTICE SCORES



As part of the 2006 Fiscal Responsibility Law 20.128, Chile formalized a fiscal rule originally adopted in 2001 that requires the government to incorporate fiscal projections into the

country's budgetary process.³ The Fiscal Committee exercises oversight of the implementation of the rule. Data on budget, mining revenue and debt is publicly available.

State-owned enterprise governance

CHILE'S STATE-OWNED MINING COMPANY LEADS THE INDEX

Chile's state-owned enterprise, Codelco, scores 90 of 100 points and is the best performing state-owned enterprise in the index. Codelco attains optimal scores in government transfers, financial reporting and disclosure of production, joint ventures and subsidiaries. Enhancing disclosures regarding commodity sales would further improve Codelco's good governance.

Name of state-owned enterprise	State ownership level	Revenue (USD)	Score (/100)	Rank (/74 SOEs)	Rank (/22 mining SOEs)
Codelco	100%	11.693 million (2015)	90	1	1

Sovereign wealth fund governance

The largest sovereign wealth fund in Chile, the Economic and Social Stabilisation Fund (ESSF), scores 92 of 100 points. It ranks fourth in the index and third of eight fund assessments in Latin America and the Caribbean, placing it among the top performing sovereign wealth funds in the index. The ESSF's only weakness from a governance perspective is its weak score in investment rules.

Name of Sovereign Wealth Fund	Value of assets under management (USD)	Score (/100)	Rank (/34)
Economic and Social Stabilisation Fund	13.966 million (2015)	92	4

What is the Resource Governance Index?

The 2017 RGI assesses how 81 resource-rich countries govern their oil, gas and mineral wealth. The index composite score is made up of three components. Two measure key characteristics of the extractives sector – value realization and revenue management – and a third captures the broader context of governance — the enabling environment. These three overarching dimensions of governance consist of 14 subcomponents, which comprise 54 indicators calculated by aggregating 133 questions and external data.

Independent researchers, overseen by NRGi, in each of the 81 countries completed a questionnaire to gather primary data on value realization and revenue management. For the third component, the RGI draws on external data from over 20 international organizations. The assessment covers the period 2015-2016. For more information on the index, how it was constructed, and references to external data, review the RGI Methodology.
