

# The Chamber of Mines & Transparency.

EITI Conference,  
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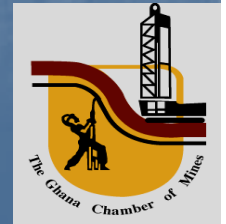
# The Ghana Chamber of Mines

- A VOLUNTARY PRIVATE SECTOR AND MINING EMPLOYERS' ASSOCIATION
- MEMBERS ACCOUNT FOR ABOUT 95% OF COUNTRY'S MINERAL PRODUCTION
- ESTABLISHED IN 1928
- MEMBERSHIP CATEGORIES
  - REPRESENTED (Level A)
  - REPRESENTED (Level B)
  - PRE-PRODUCTION
  - EXPLORATION
  - CONTRACTORS
  - AFFILIATES
  - ASSOCIATE INSTITUTIONS



# Strategic View of the Chamber

- **Vision**  
To be a respected, effective and unified voice for the mining industry.
- **Mission**  
To represent the Mining Industry in Ghana using the resources and capabilities of its members to deliver services that address members, government and community needs, in order to enhance development.
- **Core Values**  
The principles that will guide decision making which the members of the Chamber will not compromise whilst achieving the mission and pursuing the vision are:
  - Honesty
  - Transparency
  - Good Governance
  - Good Corporate Citizenship
  - Commitment
  - Unity
- **Objectives of the Chamber**
  - The objectives of the Chamber taking into consideration the strategic challenges for achieving its vision are to:
  - Promote and protect the interests of the mining industry
  - Promote and protect the image of the mining industry
  - Establish and maintain effective membership governance
  - Provide leadership for the solution of national issues related to mining



# The Chamber's Policy On Transparency

- Guided by Code of Conduct
  - ❖ Section 1-Laws & Regulations
    - Interpret Laws to adopt a course that reinforces the Chamber's Reputation & Integrity
  - ❖ Section 4- Reporting & Information Disclosure
    - Comply with reporting requirements to regulatory agencies and any other institution
    - Disclose fully all relevant information accurately, timely and objectively.



# Chamber's Transparency in Action

- **Fiscal Statutory Audit Agencies & their Roles in the Mining Industry**
  - ❖ **Internal Revenue Service**
    - Mineral Royalty, Corporate Tax, Dividend, PAYE,
  - ❖ **Value Added Tax Service**
    - VAT
  - ❖ **CEPS**
    - Amount of Mineral Produced.
  - ❖ **Minerals Commission**
    - Mineral Revenue, Production cost
  - ❖ **Bank of Ghana**
    - Mineral Revenue; Portion of Mineral Revenue Returned to Ghana
  - ❖ **External (Independent) Auditors**
    - Corporate Accounts



# Chamber's Transparency Policy in Action

- **Statutory Environmental Audit Agencies & their Roles in the Mining Industry**
  - EPA
  - Minerals Commission
- **Statutory Health & Safety Audit Agencies & their Roles in the Mining Industry**
  - Minerals Commission



# EITI & The Chamber of Mines

- The EITI seeks to create transparency and accountability in revenue flows from the extractive industry, currently mining only.
- EITI focuses on company legitimate payments and government revenues from mining companies.
- Before the launch, the Chamber of Mines had begun to publish what its members pay to the government, their host communities and the general public.
  - The Chamber Secretariat is the Aggregator-Though not Independent

# Role Of the EITI Aggregator

- To Collect Requisite Data from Various Sources:
  - **Internal Revenue Service, Mining Companies; Metropolitan, Municipal, District & Assemblies and the Administrator of Stool Lands.**
- To Audit the Data so Received and Publish for Public Consumption.
- Complement the Credibility of Information reported

# The Chamber's Role As An "Aggregator"

- Collect data from member companies and aggregate.
- Where possible match against Minerals Commission data.
- Publish aggregated data in Press



# Scope of the Chamber's Aggregation

- Among Others:
  - ❖ Mineral Royalty
  - ❖ Property Rate (Tax)
  - ❖ Employee Social Security
  - ❖ Dividend
  - ❖ Corporate Tax
  - ❖ Voluntary Socio-economic Contributions



# Chamber Aggregated Data Segmentable by District

- Receivable by District
  - Mineral Royalty
  - Property Rates



# Royalty Receivable at the Districts (millions of Cedis) 2005

	District/Municipal Assembly	Stool	Traditional Council
<b>% share of Mineral Royalty</b>	<b>4.95</b>	<b>2.25</b>	<b>1.80</b>
<b>Wassa West</b>	8,180	3,718	2,975
<b>Adansi West*</b>	2,351	1,068	855
<b>Bibiani Ahwianso Bekwai</b>	872	396	317
<b>Mpohor Wassa East</b>	510	232	185

\*With the re-zoning of districts, the Adansi West District receipts now shared between Obuasi and neighbouring districts



# Property Rate Received by Mining Companies 2005

District Assembly	Millions of Cedis
Wassa West	1,831
Adansi West*	676
Bibiani Ahwianso Bekwai	380

With the re-zoning of districts, the Adansi West District receipts now shared between Obuasi and neighbouring districts



## Producing Chamber Members' Voluntary Socio-economic Contributions to Host Communities (USD) 2003-2005

Sanitation	4,656,248
Health	3,610,305
Electricity	3,101,959
Housing	2,197,771
Water	1,410,156
Road	937,897
Resettlement	887,083
Alternative Livelihood Projects	608,400
Agro-Industry	255,752
Agriculture	160,566
Other Alternative Livelihood Projects	709,279
<b>Total</b>	<b>20,034,919</b>

This represents about 28% of mineral royalty paid in the period.



# Benefits of the EITI to the Chamber

- Complements the transparency programmes of the Chamber and its Member Companies
- Aggregator to be another layer of External Agencies that independently obtain the same information from same source but through different processes.
  - Helps in validation of information
  - Assures the Integrity of Information from Mining Industry
- EITI to be an indirect advocate for the Mining Industry.
- Potential to help Enhance Image of Mining Industry



Thank you.