

## **DRAFT WORK PROGRAMME FOR A PILOT PROJECT IN COMMODITY TRADING**

### **1.0 Introduction**

Ghana has been selected as one of the few countries to undertake a pilot project in commodity trading.

The EITI Requirement 4.2 states that where the sale of the state's share of production or other revenues collected in-kind is material, the government, including state-owned enterprises; are required to disclose the volumes sold and revenues received. The published data must be disaggregated by individual company and to levels commensurate with the reporting of other payments and revenue streams as required by requirement 4.7.

### **2.0 Objectives of the pilot project**

The objectives of the pilot is to help EITI implementing countries with significant commodity trading activities to deal with EITI requirements related to disclosure on such transactions which include:

- (i) gaining a good understanding of the mandate of the government agency or SOE in selling commodities on behalf of the state or the private sector players in mining;
- (ii) identifying the key actors and transactions involved in commodity trading for mining and oil/gas;
- (iii) developing a framework for disclosure of timely and reliable information on the private sector players involved in commodity sales or sales of "in-kind" revenues by SOEs; and
- (iv) ensuring adequate reporting in accordance with the relevant EITI requirements (Requirement 4.2 ).

### **3.0 Scope of the pilot**

The Ghana EITI has agreed to expand the scope of the pilot beyond the national oil company to include private sector players in mining and oil/gas. This is to allow for comparison between the achieved prices of private sector companies with those of SOEs, with a view to identifying any possible incidence of price-fixing.

The project is, therefore, expected to address reporting on both sales of in-kind revenues in the oil/gas sector and sales by mining companies which include reporting by the type of product, price, market and sales volume.

3.1 Key output of the pilot would be as follows:

- Commodity trading reports by the pilot countries to bring further transparency to commodity trading by SOEs and private companies;
- Model reporting templates; and
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- An evaluation report on the main findings of the pilot, including lessons learnt and recommendations.

S/N	ACTIVITY	TIMELINE	AMOUNT (US\$)	EXPECTED OUTPUT
1.	Organise a technical round table for key stakeholders to discuss key issues on commodity trading in mining & oil and gas sectors	July, 2016	20,000	Consensus meeting report on technical issues agreed on by the stakeholders
2.	Organise capacity building workshop for GHEITI Sec./MSG on commodity trading in mining and oil/gas sectors	July, 2016	15,000	MSG/GHEITI Secretariat staff trained on commodity trading issues in mining and oil/gas
3.	Develop ToR and reporting templates for commodity trading in mining and oil/gas	July 2016	-	ToR and reporting templates developed
4.	Procure a consultant to undertake a reconciliation exercise on commodity trading in mining and oil/gas sectors	July, 2016	20,000	Consultant engaged to undertake the scoping study
5.	Submission of an inception report	July, 2016	-	Inception report submitted and discussed by MSG
6	Submission of final draft report	October, 2016		Final report submitted in hardcopy and soft copy versions.
7.	Printing of commodity trading report for mining and oil/gas sectors	October, 2016	5,000	Commodity trading report produced
8.	Organise stakeholder validation workshop to discuss the final draft report	November, 2016	20,000	Report on draft commodity trading validation workshop
9.	Organise a workshop to launch the report	December, 2016	20,000	Commodity trading Report launched
10.	Organise two stakeholder dissemination workshops on the findings and recommendations of the report	January, 2017	30,000	Public well informed on findings and recommendations
	<b>Total</b>		<b>130,000</b>	