

# **2011 ANNUAL REPORT**

## **GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (GHEITI)**

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## **Introduction**

The Extractive Industries Transparency Initiative (EITI) is aimed at reducing poverty by improving transparency in the receipts and payments of minerals revenues from the country's extractive industries. The initiative supports countries rich in natural resources to strengthen the governance of the sector. It achieves this through the full publication and verification of company payments and government receipts from mining, oil and gas sectors.

In 2003 Ghana signed onto this initiative and has since been implementing activities to enhance transparency in the mining sector. A Multi-stakeholder National Steering Committee (NSC) drawn from Government, Civil Society and Mining companies has oversight responsibility for the implementation of the initiative's work plan.

The Ghana EITI secretariat and the NSC in 2011 undertook the following activities:

1. End of Year Retreat to take stock of 2010
2. Ghana EITI Consultancy services for the production of 2009 EITI reports and EITI legislation
3. Development of SAP IT Solution for EITI reporting
4. GHEITI sensitization workshops/Development of oil & gas reporting templates
5. GHEITI Community Fora
6. Publication of GHEITI Newsletters
7. GHEITI Participation in International EITI Conference/Exhibition in Paris
8. Capacity building
9. GHEITI Study Tours
10. Public Interest and Accountability Committee (PIAC)
11. NSC Meetings & Conclusion

### **1. 2010 End of Year Retreat for GHEITI NSC Members**

The National Steering Committee in conjunction with the Ghana EITI Secretariat organized an end of year retreat from 7<sup>th</sup> – 9<sup>th</sup> January, 2011 at Sogakope for members of the steering committee.

The objective of the workshop generally was to take stock of key achievements and challenges of 2010 GHEITI activities. It was also meant to review the 2011 GHEITI work plan as well as to discuss issues regarding Ghana oil and gas fiscal regime and draft oil and gas reporting templates.

## **2. GHEITI Consultancy Services**

**(a) Production of 2009 EITI reports:** The NSC and GHEITI Secretariat engaged a Consultant/Aggregator (Boas & Associates) to collect, reconcile and aggregate data for the production of 2009 EITI reports. The Aggregator successfully executed the assignment and members met to discuss both the draft and final reports which was duly launched.

**(b) Legislation of GHEITI Process:** The Multi-stakeholder during the year (2011) engaged a consultant (Reindorf Chambers) to develop legislation for GHEITI. The Consultants have submitted the draft EITI Bill to the GHEITI Secretariat which is one the issues to be discussed at this workshop by the NSC. The consultants are also here today to walk members through the key issues of the bill.

## **3. Development of the SAP IT Solution for EITI Reporting**

The EITI Secretariat has successfully deployed the software and it is now being used to collect 2010 data.

## **4. GHEITI Dissemination/Sensitization Workshops**

Several workshops were organized in 2011 to sensitise MMDAs, mining companies, CSOs and the media on activities of EITI and to disseminate information about key findings and recommendations contained in the various reports to the stakeholders.

**(a) Dissemination workshop for MMDCEs and Finance Officers in Ashanti Region:** The GHEITI Secretariat and the NSC organized a sensitization workshop for Metropolitan, Municipal and District Assemblies (MMDA's) in Kumasi on 31<sup>st</sup> January, 2011.

The objective of the workshop was to sensitize stakeholders on EITI activities and to disseminate critical findings of 2006 – 2008 EITI audit reports. The event was chaired by Mr. Roger Ansomgwine of Office of the Vice President. The welcome address was delivered by the Ashanti Regional Mayor, Hon. Samuel Sarpong.

**(b) Sensitization Workshop for Hon. Members of Parliament:** The NSC and GHEITI Secretariat on the 19<sup>th</sup> March, 2011 organized a one-day sensitization workshop for members of Public Accounts and Mines and Energy Select Committees at the Forest hotel, Dodowa.

The main aim of the workshop was to sensitize the MP's on the findings and recommendations of the 2006 – 2008 EITI reports. The workshop was chaired Mrs. Effie Simpson Ekuban, former Chief Director of MoFEP and it was attended by the Minister of Lands and Natural Resources, Hon. Mike Hammah and his Deputy, Hon. Henry Ford Kamel. Others included the NSC members, Parliamentary Clerks and the press.

**(c) Dissemination Workshop for MMDCEs and Finance Officers:** A dissemination workshop was organized for Metropolitan, Municipal and District Chief Executives and their Finance Officers in Brong Ahafo region (Sunyani) to share the findings and recommendations of the 2006-2008 EITI reports.

The workshop was attended by MMDCEs, Finance Officers, traditional authorities, and representatives from Newmont Gold Gh. Ltd and the Press.

Brief remarks were made B/A regional Coordinator on behalf of the Regional Minister, Mr. Chris Anderson of Newmont Gold among others.

**(d) Technical Round Table workshop to validate 2009 EITI Reports:** The GHEITI Secretariat and the NSC organized a technical round table workshop to validate the findings and recommendations of 2009 EITI audit report.

The workshop was held at the Greenland Hotel in Agona Swedru and was attended by members of the NSC and all the relevant institutions affected by the reports. The institutions included the Ghana Revenue Authority, District Assemblies, Mining companies, the OASL. Other institutions were from the Non-Tax Revenue Unit, Minerals Commission and CSOs. The workshop was chaired by the Chief Director of MoFEP and Chair of the Ghana EITI, Mr. Enoch Cobinnah.

**(e) Technical Round Table Workshop to Develop Oil and Gas Reporting Templates:** As part of the process of developing the reporting templates for the oil and gas sector following the extension of the EITI to oil and gas sector in September 2010, the NSC organized a technical round table workshop on 21<sup>st</sup> May, 2011 at Luxury West hotel in Accra.

The objective of the workshop was to discuss the way forward with respect to the preparation and finalisation of the EITI templates which will be used to capture the revenue streams for the oil and gas sector.

The draft reporting templates was developed by Boas and Associates with the support of the members of the NSC.

**(f) Stakeholder Consultation Workshop on Oil and Gas Reporting**

**Templates:** The GHEITI Secretariat in conjunction with the Multi-Stakeholder Group held a Stakeholder Consultation workshop on 5<sup>th</sup>-7<sup>th</sup> October, 2011 at Akroma Plaza in Takoradi. The objective of the workshop was to afford the various stakeholders the opportunity to provide inputs into the oil and gas reporting templates.

Those who participated in the workshop included relevant government agencies, Chiefs, CSOs and members of the NSC.

The draft templates were discussed by members and are expected to be finalized at today's workshop.

**(g) Launch of 2009 GHEITI Audit Report:**

The GHEITI Secretariat on 26<sup>th</sup> October, 2011 organized a programme at the Coconut Grove hotel to launch the 2009 EITI report. The official launch of the report brought together various stakeholders such as government agencies, private sector, CSOs, DPS and the Media to witness and participate in the launch process. The launch was also attended by the Deputy Minister of Ministry of Lands and Natural Resources, Hon. Henry Ford Kamel and the C.E.O of Ghana Chamber of Mines, Dr. Tony Aubynn.

The report was launched by the Chief Director of MoFEP, Mr. Enoch Cobinnah and also presentation was made by the Aggregator on key findings and recommendations in the report.

**(h) Dissemination Workshop on 2009 Audit Report:**

Following the official launch of the 2009 EITI report, the MSG together with the GHEITI Secretariat organized a workshop in Tarkwa to disseminate the findings and recommendations of the 2009 Audit report.

The workshop which was the first of the series of dissemination workshops to be organized for stakeholders was attended by DCEs/Finance officers of the District Assemblies in and around Tarkwa, companies, media as well as CSOs.

## **5. GHEITI Community Fora**

As part of GHEITI Communication Strategy, two (2) separate community fora were organized in Kenyasi in Brong Ahafo region and Tarkwa in Western region on 27<sup>th</sup> April, 2011 and 25<sup>th</sup> November, 2011 respectively.

The fora were organized for the people at the community level in their local dialect to give them the chance to understand and participate in the EITI process at the sub-national level. Such fora also enabled community members to ask critical questions bothering their minds.

## **6. Publication of GHEITI Newsletters**

As part of its communication strategy, the Ghana EITI Secretariat has published two (2) volumes of newsletters in 2011. These publications were widely distributed to various stakeholders in the country.

## **7. Participation in key International EITI Conference/Exhibition in Paris**

In March 2011, some members of the Steering Committee including the Minister of MLNR, Hon. Mike Hammah, Extractive Sector Advisor at the GIZ, Mr. Allan Lassey and the GHEITI Aggregator, Mr. Kwaku Boa-Amponsem participated in the above conference in Paris, France.

The GHEITI Secretariat also participated in EITI global exhibition which was held along side the conference to show case activities and achievements of Ghana EITI. The conference/exhibition was held from 2<sup>nd</sup> - 3<sup>rd</sup> March, 2011. The trip was co-sponsored by the EITI International Secretariat and the GIZ-Ghana.

## **8. Capacity Building for Members of MSG/Agencies**

As part of efforts to build capacities of the MSG to be abreast with current issues on EITI at both local/international levels, and to cope with emerging challenges in the extractive sector transparency and accountability matters, a number of the members were sponsored to participate in various international seminars and training programmes as follows:

- Workshop on new EITI rules in Nairobi, Kenya in October, 2011
- Several training programmes were organized by the GHEITI Secretariat in collaboration with the GIZ for the relevant agencies on the use of information technology (IT) software to capture data for EITI reporting. This training will be further consolidated in 2012 to ensure that the agencies understand and apply it properly to improve their reporting standards.

- Participation in the Norwegian oil for development programme organized at Alisa Hotel, Accra.
- Training in oil and gas economics and contract negotiations.

## **9. Participation in Study Tours/ Hosting of Guest EITI Delegates**

**(a) Azerbaijan Study Tour:** In November, 2011 an eight-member team from the GHEITI Secretariat and GIZ-Ghana went on a study tour to Azerbaijan to learn and to share experiences in the implementation of EITI in the oil and gas sector. Azerbaijan is one of the oil producing countries noted for its good record and best international practices in EITI in the oil/gas sector. It is also one of the first countries to achieve EITI Compliance status in the oil/gas sector in the World.

The objective of the study tour was to draw from the lessons of Azerbaijan in the EITI implementation in oil/gas sector, its challenges and prospects as Ghana rolled out the EITI to cover the oil/gas sector after the discovery of oil/gas in commercial quantities.

### **(b) Study Tour to Ghana by Malawian and Cameroonian EITI Delegates**

The Ghana EITI Secretariat/MSG hosted the Malawian and Cameroonian EITI delegations to two separate meetings on 9<sup>th</sup> August, 2011 and 8<sup>th</sup> December, 2011 respectively.

The study tour to Ghana by the two (2) groups was to discuss, learn and share experiences on EITI implementation with their Ghanaian counterpart. Ghana is the first country to implement EITI in the mining sector at the sub-national level.

### **(c) Study to Ghana by Nigerian EITI Civil Society – CISLAC**

The Ghana EITI Secretariat also hosted a three-man delegation from the Nigeria EITI Civil Society Legislative Advocacy Centre. The Centre works towards bridging the gap between the legislature and the electorate by enhancing lobbying strategies. It also monitors the budget and promotes transparency and accountability.

The delegation shared their experience with Ghana EITI Secretariat in terms of the role they played in the Nigeria EITI legislation process and the challenges faced in implementing the law. They wanted to know about Ghana EITI's engagement with CSOs which so far proved successful. The delegation was led by Mr. Awal Ibrahim Musa, the Executive Director of CISLAC.

## **10. Public Interest and Accountability Committee (PIAC)**

The Ghana EITI is represented on the Public Interest and Accountability Committee. The Committee started working in earnest. The Committee had sessions with Tullow Oil Co., Ghana Revenue Authority, Ministry of Finance, Ministry of Energy and Ghana National Petroleum Corporation. The Committee had the opportunity to comment and advise on the oil section of the 2012 budget. The report on the budget has been sent to Parliament and the Hon. Minister of Finance. It also had a Press conference to brief the press on its roles.

## **11. Conclusion**

The Ghana EITI Secretariat/MSG apart from undertaking the above activities also held several meetings to plan, discuss and map out strategies to guide the general implementation of the EITI. Notably, the NSC during 2011 held meetings to discuss some of the following issues:

- Ghana's participation in the Global EITI conference/exhibition in Paris, France
- GHEITI Legislation process
- Draft 2009 GHEITI Audit report
- Ghana's Fiscal regime and taxes related to the mining sector with the World Bank team
- Review the implementation status of the recommendations in the 2004-2009 GHEITI Audit reports
- ToR for the production of 2010 and 2011 GHEITI Reports

In spite of the achievements and successes chalked by the MSG/GHEITI Secretariat in 2011, we must admit that there were some challenges. The MSG/GHEITI Secretariat will continue to work hard to ensure that more is achieved and the challenges addressed in 2012 and beyond. This is particularly important after we have successfully extending the EITI to the oil and gas sector and even planning to also extend it to the forestry sector in the future.