

Government has been advised to put in place stringent measures to compel small scale miners to pay some royalties to the State. Although small scale miners account for over 34% of gold production, they do not pay mineral royalty. ♦ Attempt should be made to obtain some revenue (royalty) from small scale mineral gold producers. The rate of extraction of gold by the small scale artisanal and miners mean the state is losing its resources without any compensatory revenue♦.

The proposal is among a number of recommendations contained in the Ghana Extractive Industry Transparency Initiative (GHEITI) 2012/2013 Report on the Mining Sector by Messrs Boas and Associates and launched in Accra recently. The Report emphasises that with the growing significance of small scale production, efforts should be made to ensure some revenues are generated. It notes that the Minerals and Mining Act, 2006 (703) does not differentiate between small scale and large scale operations in terms of royalties and therefore both are liable for royalty payment.

It, however, adds that the rate of payment for the two categories of miners should not be the same. "To begin with the rate at which royalty is paid may be differentiated between large scale and small scale holders. Because most small scale and artisanal miners may not have the requisite accounts and books, royalty payment may be instituted at the point of export," it recommended.

The Report suggests how to prevent the smuggling of gold out of Ghana. ♦ Proper monitoring should be enforced to ensure that Gold is not smuggled out of the borders of Ghana. The system of royalty payment by small scale miners existing in the neighbouring countries should be studied and possibly harmonised♦ into our laws.

It decries the attitude of some government agencies in respect of data collection. It indicates: "During the exercise a lot of effort was required in order to obtain data from the GRA and the Minerals Commission. For example, information on corporate tax and royalty payments could not be obtained speedily from the GRA. In the same manner, it took a long time before details of payments for the different categories of mineral♦♦♦ rights, Reconnaissance, Prospecting and mining leases were obtained from the Minerals Commission."

To address this challenge, the Report suggests that ♦ the provision of data as required by the EITI should be factored into the data collection system of the state institutions. In the meantime, in order to facilitate the speedy provision of data for reconciliation, the Steering Committee should ensure that these institutions gather the necessary annual data long before the commencement of the reconciliation process.

Ghana joined the EITI in 2003. The Initiative seeks to improve development outcomes and reduce the potential for corruption and large scale embezzlement of benefits received by governments from extractive industries. Regular publication of extractive industry payments and government receipts is a requirement of the Initiative.

*Public Agenda*