



# GHANA EITI REGIONAL CONFERENCE REPORT



"Natural Resource Governance: Setting Standards"



## GHEITI REGIONAL CONFERENCE



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*Cross section of Nananom at the Conference*

*"Natural Resource Governance: Setting Standards"*







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## Abbreviations

AMGP	African Mineral Governance Program
CSOs	Civil Society Organizations
DP	Development Partners
EITI	Extractive Industries Transparency Initiative
ECOWAS	Economic Community of West Africa
EMDP	ECOWAS Mineral Development Policy
EITI++	Extractive Industry Transparency Initiative Plus, Plus
EU	European Union
GHEITI	Ghana Extractive Industries Transparency Initiative
GIZ	German Development Cooperation
GNPC	Ghana National Petroleum Corporation
IMF	International Monetary Fund
ISODEC	Integrated Social Development Centre
LEITI	Liberia Extractive Industries Transparency Initiative
MDGs	Millennium Development Goals
MoFEP	Ministry of Finance and Economic Planning
MLNR	Ministry of Lands and Natural Resources
MSG	Multi Stakeholder Group
NEITI	Nigeria Extractive Industries Transparency Initiative
NGOs	Non Governmental Organizations
SADC	Southern Africa Development Community
SEITI	Sierra Leone Extractive Industries Transparency Initiative
UK	United Kingdom
USA	United States of America
WB	World Bank
WAMSSA	West African Mineral Sector Strategic Assessment
WAEMU	West African Economic and Monetary Union



# 1 INTRODUCTION

## 1.1 Background

Natural resources are found in abundance in various countries across the globe. The extraction of these resources generates revenues which creates wealth for resource rich countries. These revenues are usually committed to achieving economic development in most countries; however corruption continues to be a problem in some developing countries with vast natural resource wealth. This explains why despite their wealth, these countries continue to perform poorly in economic performance.

Studies have shown that transparency in natural resource revenue management is key to addressing the challenges faced by resource rich economies that are facing under-development. It is in link with this thinking that countries such as Azerbaijan, Liberia, Ghana, Norway, Nigeria, Mongolia, Timor-Leste among others adopted the Extractive Industry Transparency Initiative which is a global effort to increase transparency and accountability in the management of revenue from extractive industries which exploit non renewable resources.

The Extractive Industries Transparency Initiative (EITI) was launched in 2002 by Tony Blair at the United Nations Summit on Sustainable Development in Johannesburg, South Africa, as the world community's effort to increase transparency and accountability for revenue generated by non-renewable natural resources such as minerals, oil and gas. EITI is therefore concerned about extractive sector revenues i.e. royalties, corporate taxes, and dividends to government, mining rights licenses, surface rights rentals, ground rents, petroleum taxes and annual surface rental among others. EITI seeks to improve the use of these revenues towards the reduction of poverty and to generate sustainable economic development for implementing countries.

Ten (10) years on, EITI has become an important platform for change with 15 countries now EITI compliant and 29 countries achieving EITI candidate status. Several other countries including USA have signaled their intent to implement the EITI and are working towards meeting the sign-up requirements.

The EITI effort is supported by 68 of the world's largest extractive companies who actively participate in the EITI process. It has also won the support of over 80 global

investment institutions. The CSOs participate in EITI directly and through the “Publish What You Pay” Campaign, which is supported by more than 300 NGOs globally.

EITI has also won the support of international organizations (including the World Bank, International Monetary Fund and Regional Development Banks, European Union, United Nations); and bilateral support from governments (including Australia, Belgium, USA, Norway, UK, the Netherlands, Canada, Sweden, Germany (etc) who provide technical and financial support to the EITI International Secretariat and directly to implementing countries.

Ghana is endowed with huge natural resources i.e. gold, bauxite, manganese, salt and now oil and gas. The mining sector has been the backbone of the nation’s economy, as it remains one of the nation’s most important foreign exchange earners. It contributes about 40% of total merchandise exports, 11% of Government revenue, 5% of GDP and 7% of corporate tax earnings. A transparent oil and gas industry would encourage investment in the sector and generate increased revenues for government to execute its development agenda. It is therefore not surprisingly that Ghana signed onto EITI in 2003 not quite long after its launch.

The principles of the initiative seek to promote good governance, as well as the accountable and transparent use of mining benefits. Additionally the initiative aims at stimulating debate on the utilization of these benefits.

The Extractive Industries transparency initiative also seeks to improve development outcomes from benefits paid by extractive industries to governments. Achieving the above objectives requires transparency in payment, receipt, disbursements and utilization of these mining benefits.

The Ghana version of the EITI has been named the Ghana Extractive Industries Transparency Initiative (GHEITI).

Accordingly the main objective of the GHEITI is to carry out an independent audit of Ghana’s extractive industry, develop and implement a revenue disclosure, oversight and publication mechanism that ensures that Ghanaians get the relevant information on the extractive industry’s revenue and payments to the State to enable them hold government accountable.

To create the platform for experience sharing among EITI implementing countries and as part of its 2012 work plan, GHEITI organized the first ever Regional Conference on the

theme “ *Natural Resource Governance: Setting the Standard with the EITI*” at the La Palm Royal Beach Hotel, Accra Ghana from 27<sup>th</sup> to 28<sup>th</sup> September 2012.

The 2-day conference brought together about two hundred (200) participants from the EITI International Secretariat and Implementing countries including Azerbaijan, Cameroun, Ghana, Central African Republic, Cote d’Ivoire, Gabon, Guinea, Kyrgyzstan and Liberia. Other participants came from Mauritania, Mongolia, Niger, Nigeria, Norway, Sierra Leone, Timor Leste, Togo and Yemen.

Participants from Ghana included representatives from the Presidency, Ministries Departments and Agencies (MDAs), District Assemblies, Private sector-Oil & Gas and Mining companies, Civil Society Organizations (CSOs), Members of Parliament, Academia, Traditional Authorities, members of the GHEITI, NSC/GHEITI Secretariat and Ghana’s Development Partners.

## **1.2 The Conference Objectives**

The conference sought to achieve the following objectives:

- i. Create a platform to share country experiences of EITI implementation and identify gaps and opportunities in maximizing benefits from the extractive sector;
- ii. Work towards the harmonization of approaches to the management of extractive industries at the regional level;
- iii. Promote inter-regional linkages among people and organizations working on similar issues with the intention of having a regional interface (i.e a framework for regional cooperation) that feeds into the International EITI;
- iv. For Ghana as a EITI compliant country, to provide leadership in EITI implementation

## **1.3 The Conference Process**

Towards achieving its objectives, the 2-day conference which was moderated by Ms. Emma Morrison, a Media/Communications Expert was structured into five (5) plenary sessions. Each plenary was facilitated by a Chairperson and began with presentations. The themes for the plenary sessions were as shown in Box 1 below. Further details of the programme have been presented in the Annex.



Plenary	Session/Theme	Chairperson
	Opening Session	Naa Prof. John Nabila President, National House of Chiefs, Ghana
Day One: Part One	Natural Resource Governance: Setting the Standards with EITI	Prof. Baneng Yakubo, Chief Director, MLNR
Day Two: Part One	Transforming Countries Through Natural Resource Wealth; Challenges in Management and Utilization of Natural Resource Revenues	Dr. Steven Manteaw, EITI, CSO Representative
Day Two: Part Two	Addressing Challenges and Expanding the Benefits of Natural Resource Endowed Countries Through EITI	Mr Enoch H. Cobbinah, Chief Director, MoFEP & Chairman of GHEITI
Day Two: Part Three	Emerging Initiatives in Natural Resource Governance	Hon. Fifi Kwetey, Deputy Minister, MoFEP
Day Two: Part Four	Establishment of Mechanisms for Regional EITI Cooperation	Hon. Dr. Kwabena Duffour, Minister, MoFEP

Box:1

The tone for the conference was set by an impressive Opening Ceremony, at which His Excellency the Vice-President of the Republic of Ghana, Mr. Kwesi Amissah-Arthur, the Keynote Speaker was represented by the Minister of State at Public Sector Reforms, Hon. Alhassan Azong. The Opening Ceremony was chaired by Naa Prof. John Nabila President, National House of Chiefs, Ghana

A welcome address was delivered by the Chairman of GHEITI and Chief Director of MoFEP, Mr. Enoch H. Cobbinah. The Deputy Minister of Lands and Natural Resources, Hon. Kojo Owusu Agyeman gave the Opening Remarks on behalf of the Minister of Finance and Economic Planning. Brief messages were also received from partners including World Bank; GIZ, CSOs and the EITI International Secretariat.

The conference closed with a presentation of the Conference Conclusions by the Rapporteur General, Dr. Esther Ofei-Aboagye and closing remarks delivered by the EITI International Secretariat's Representative and the Secretary to the Cabinet, Mr. Ben Eghan who represented the Minister of Finance and Economic Planning.





*L-R National Coordinator Mr. Franklin Ashiadey and Conference Moderator Ms Emma Morrison.*



*Cross section of Conference Participants*





*Chairman of the Ghana **EITI** Mr. Enoch Cobbinah  
in warm handshake with Nananom*



*Cross section of Conference Participants*



## 2 OPENING CEREMONY

### 2.1 *Chairperson's Response*

Naa Prof. John Nabila, Wulugunaba and President of the National House of Chiefs chaired the opening ceremony. In his acceptance address, Naa Prof Nabila considered the international dimension of the conference as signifying the contributions and importance of natural resources to national economies. He outlined the start-up of EITI in Johannesburg in 2002, which was necessitated by the lack of transparency in the dealings of international mining arrangements.

Naa Prof Nabila observed that despite the successes, challenges faced in Ghana included limited citizen participation in decision making in the mining sector, limited scope of the EITI in addressing the challenges along the value chain; weak institutional capacity to implement recommendations, sustain adherence to principles and standards; irreversibility of contracts signed with extractive companies..

He encouraged the conference to draw attention to the individual peculiarities of the extractive industry in different countries and the benefit derived there-from for the people; and address the issue of accountability in all aspects of the industry. He also drew attention to the effect of unregulated mining on the environment which could not be ignored in countries.

Naa Prof. Nabila concluded by noting that as EITI prepares to begin the second decade of its existence in 2013, the meeting offered a great opportunity for a reflection on the procedures and processes; identification of gaps and the sharing of best practices to inform policy change to engender optimal benefits for EITI implementing countries. He was of the view that this makes EITI attractive for other countries to join the crusade.

### 2.2 *Welcome Address*

In his welcome address, Mr. Enoch Cobbinah, Chairman of the Ghana EITI process, noted the appreciable progress made over the years by GHEITI, culminating in the organization of the regional conference. He outlined the objectives of the conference, including experience-sharing and the development of a framework for regional cooperation. He indicated that the transformation of the extractive industry into a source of development for countries in the region would require an alignment of related

governance issues, namely the convergence of fiscal and regulatory frameworks, facilitation of trade and commerce and optimization of positive externalities and synergies.

He observed the timeliness of the conference in the light of the development of a new vision and scope of EITI, and encouraged participants to delve into the concepts and approaches to the initiative to help come out with a new vision that will expand the horizon of transparency as a tool for complete resource management for the betterment of mankind.

He noted that the number of African countries implementing the EITI was an indication of the impact the initiative was making on African economies if properly followed. A successful implementation of EITI in Ghana had implications and resonance beyond the country; and the transformation of the extractive industries into a source of development for each of the countries in the region would require alignment of a number of related economic governance issues such as:

- a) the convergence of policy, fiscal and regulatory frameworks;
- B) the facilitation of trade and commerce; and
- c) the optimization of positive externalities and synergizes.

Ghana was ready to provide the leadership and also be a benefactor of a regional convergence of policies and practices. It was in this light that as part of the 2012 work plan of GHEITI, the Secretariat and the National Steering Committee organized the first ever Regional Conference on the theme ***“Natural Resource Governance: Setting the Standards with the EITI”***

Mr. Cobbinah concluded by noting that revenue transparency, the core remit of EITI could only be achieved with the cooperation of companies, host governments, host governments and CSOs. Thus a successful EITI helps in the strengthening of accountability of decision makers of host governments and companies to citizens; and companies to investors. The role of CSOs he observed was critical as it needed to closely monitor the process and participate constructively with governments and companies in eradicating poverty and accomplishing sustainable development.

### **2.3 Opening Remarks**

Mr. Kwadwo Owusu-Agyeman, Deputy Minister for Lands and Natural Resources, who represented the Minister of Finance and Economic Planning appreciated the timely nature of the conference, the strategic nature of natural resources, the urgent need for more

transparency and prudent management of revenues from the sector. He outlined some ongoing government interventions such as public procurement and financial management reform in Ghana, which had deepened its capacity to make prudent fiscal and overall macroeconomic policies toward economic growth and development.

He admitted that the mere implementation of EITI would not provide the omnibus solution to all the developmental problems of our society, and therefore recommended the need for the initiative to be mainstreamed to strengthen the link between transparency, accountability and overall development. He also called for innovative strategies that speak to peculiar situations.

The Deputy Minister noted that EITI needed to face up to the following challenges to achieve the required development in member countries:

EITI is not a magic wand as it does not provide the omnibus solution to all the developmental problems of countries. Addressing these challenges requires innovative strategies that address unique country situations.

The increased competition for the natural resources on the continent and its resultant effect on contracting deals, operations and payments undermined transparency and accountability of how resource concessions were allocated and the benefits of investments distributed.

The need for extractive companies to follow best practices in contracting, operations and payments; and for host governments and international capital centres to ensure compliance by investors.

## **2.4 Brief Messages from Partners/Stakeholders**

### **2.4.1 Statement by Representative of German Embassy**

Dr Maria Telkueve, Head of Cooperation at GIZ noted that the conference was timely and offered opportunity for experience sharing. She added that Ghana's initiative was active and could recount several successes.

The Head of Cooperation of GIZ assured the meeting of the International Community's support for transparency initiatives citing the German Government and Parliament's interest in such endeavours. She outlined the German Development Cooperation's



support for GHEITI's capacity building efforts to ensure transparency and good governance.

Dr. Telkueve noted that the increasing demand for EITI implementation indicated that people want accountability and stakeholders' role in the process was crucial to the achievement of transparency, good governance and economic development.

She observed that knowledge and networks built at the meeting would strengthen capabilities with the key issues in member countries. She therefore concluded by encouraging the participants to address the difficult issues and come up with concrete recommendations to help move the process forward.

#### **2.4.2 Statement by Chairman of Tanzania EITI**

The Chairman of the Tanzania EITI noted that his country was new in the EITI process, in spite of mining activities having gone on for a long time in Tanzania. He stated that there had been increasing prominence of the industry since the 1990s and listed the types of mineral resources of Tanzania and their contribution to their economy.

The Chairman disclosed that although Tanzania ranked 4<sup>th</sup> on the continent in terms of its mineral resources, it had so far mined only about 10% of known reserves of its mineral wealth. He added that Tanzania has discovered a trillion cubic feet of gas which was at various stages of exploitation. This he indicated meant the benefits would be great for Tanzania when these mineral resources were fully exploited. He however observed that what was on the minds of the ordinary citizens of Tanzania were how the revenue generated from these resources would be put to effective use for their benefit.

He therefore, indicated that their participation offered an opportunity for learning and collaboration. He also recommended the need for regional coordinating efforts to bring about harmonization.

#### **2.4.3 Statement by Representative of CSOs**

Dr. Steven Manteaw, representative of Civil Society on the Ghana EITI process reflected on the challenges of the industry for the livelihoods of ordinary Ghanaians and provided some references to the effect that mining had not benefited communities the way it should – the costs outweighing the benefits in the long-term.

He noted that although the inception of the EITI in Ghana was viewed with a lot of skepticism, an assessment of the performance of GHEITI and that of other countries

indicated that the process was on the right course to turning resource extraction into a win-win venture for companies, governments and citizens alike.

Dr. Steve Manteaw however highlighted the gaps and the need for more to be done to make the EITI effective. He therefore urged governments and the extractive industries to be innovative and cautious in redefining the scope and content of the process to avoid the opportunistic tendencies; and to promote greater transparency and equitable allocation to provide a win-win outcome for all. He also called for a careful examination of the impact of the extractive industry on the environment, livelihoods, abuses and conflicts; and a greater involvement of more CSO actors in the Multi-stakeholder Group (MSG).

#### **2.4.4 Statement by EITI International**

The representative of the EITI International Dr. Francisco Paris appreciated the work that various implementing countries had done. He however highlighted the need to focus on the huge agenda ahead and not rest because of the successes chalked.

The EITI Representative noted that there was the need to make reporting simpler and called for timely, consistent, comprehensive and better reporting. He encouraged countries to take advantage of innovations in technology in this effort.

Dr. Francisco Paris finally observed that EITI was in the process of reviewing its scope and processes to ensure that wealthy data generated out of the sector was well harnessed. He therefore encouraged participants to engage in fruitful discussions and come out with recommendations to inform the process.

### **2.5 Keynote Address**

The keynote address was delivered on behalf of His Excellency the Vice President by Hon. Alhassan Azong, Minister of State for Public Sector Reform and MP for Builsa. He also traced the history of the EITI process in Ghana and observed that the EITI process was about good and accountable governance. He noted that there was documentary proof that countries involved in the process including Ghana had made considerable progress in the quality of their institutions and governance processes.

The Vice President however observed that there still existed challenges that confront resource rich countries such as the continuous low ranking on the MDG indicators (especially on health & education); and weak technical/institutional capacity to implement policy changes (i.e. taxation regimes, public financial management systems, long term saving instruments, etc) to better manage natural resources.

He noted the impact of the Ghana EITI process on major institutional and policy reforms in the mining and hydrocarbon. The Vice President however noted that there was the need to address the fundamental systemic weakness in our economies and find long term solutions to the weak institutional capacity and governmental ineffectiveness.

He also spoke passionately about the need to expand the focus to include such activities as sand, stone and gravel winning; activities of large scale construction firms and the impacts on communities and concluded by stating that the extractive industry should not disadvantage the poor.

## **2.6 Chairman's Closing Remarks**

The Chairman's closing remarks emphasized the importance of the topic of setting standards in natural resources governance. He observed that there was the need for countries to be alert so that resources do not go waste.

Naa Prof. Nabila also noted the importance of involving traditional authorities - who control 80% of lands in Ghana for instance and the need for their serious and active involvement. The role of local authorities also needed to be paid attention to, in the effort to manage and allocate resources properly.

He concluded by observing that legislations promoting accountability, such as that for Petroleum Revenue Management Bill which was under active consideration by Parliament augured well for the way forward for Ghana. Thus the oil discovery in Ghana would not be a curse but a blessing as there existed opportunities for learning from other countries' experiences.

## **3 PROCEEDINGS FOR THE PLENARY SESSIONS**

### **3.1 Plenary Session One – Natural Resource Governance: Setting the Standards with EITI and its Implications**

The first technical session, which was chaired by Prof Banoeng Yakubo, Chief Director of the Ministry of Lands and Natural Resources focused on Setting Standards with EITI and the Implications of EITI Compliant Status on Governance, Management and Effective EITI Implementation in different countries.



### 3.1.1 Natural Resource Governance: Setting the Standards with EITI

Speaking on the theme of the conference, Mr. Bishop Akolgo, Executive Director of ISODEC Ghana emphasized that poor performance of oil-rich countries was due to;

- a) lack of inventory of their mineral resources;
- b) lack of a clear vision and the role of natural resources;
- c) weak institutions and absence of political will for transparent, accountable, equitable and sustainable governance;
- d) lack of national ownership and value addition to the economy; and
- e) the lack of the ability to create value in the economy.

To overcome these challenges, Mr. Akolgo recommended forward and backward linkages between the extractive industries, manufacturing and agricultural sectors. He raised a number of golden rules including the importance of a clear, pro-poor vision for countries, selfless and dedicated leadership, standards-setting and the need for citizens to hold leadership accountable. He used the illustration of moving from St. Louis to Boston – least developed to the most developed cities in the United States – to demonstrate his point of economic growth.

### 3.1.2 Country Experiences – Implications of EITI Compliant Status on Governance, Management and Standards for Effective EITI Implementation

#### 3.1.2.1 Nigeria's Experience

The presentation reflected on the resource curse syndrome or “Poverty in the midst of plenty” and indicated that EITI provided a way of addressing this situation.

Mrs. Obiageli Onuorah, Outreach Team Leader gave a brief history of Nigeria's EITI process, noting that Nigeria signed up to the EITI in June, 2003. Implementation began in February, 2004 and the process was supported with Legislation in May, 2007.

She observed that the implementation of the initiative revealed challenges in the sector which included poor institutional linkages between the technical and the financial aspects of the industry; poor information gathering and storing system-paper based data storing, retrieval and sharing; inefficient system of financial management; poor metering infrastructure for crude oil production accounting; and lack of capacity of relevant regulatory agencies to verify royalty and petroleum profit tax computations.

The Outreach leader stated that the implementation of the EITI resulted in Nigeria's improved ratings and the country was moving to the next phase after being compliant to “Publishing What You Pay; and Publishing What You Receive”.

She indicated that the EITI framework had been taken to the state and local government level citing a pilot case of NEITI. She also observed that there was strong political will to take the initiative on board and include it in the mainstream development agenda. She added that there had been enhanced channels of monitoring and efforts to address the capacity gaps to monitor activities in the sector.

Mrs. Onuorah stated that to ensure sustainable implementation of the process, there was the need for a) automation and regularisation of the Audit Process; b) extension of the Audits to cover value for money and revenue disbursements; c) capacity building for major stakeholders-Civil society and Legislature in particular; d) Human Resource Development; e) aggressive public education; and f) institutional buy-in and prompt implementation of remedies.

### **3.1.2.2 Liberia's Experience**

Mr Samson S. Topkah, Head of Secretariat, Liberia Extractive Industries Transparency Initiatives (LEITI) started by highlighting the natural resource profile of Liberia and noted that although the nation was a rich country, growth and development had been hampered by the war and sanctions by the UN.

He stated that Liberia became compliant in 2007 and had since expanded the scope to include forestry and agriculture in the LEITI; effectively engaged all constituencies; implemented a well-defined communication strategy and established an autonomous secretariat. He also added that there was consistent high level Government representation and the enactment of a law establishing the LEITI.

Mr.Topkah however observed that the main challenge to LEITI was the lack of sufficient autonomy and independence because of the heavy involvement of state actors, frequent transfer of technocrats involved in the process and the provision in the Liberian Revenue Code for confidentiality/non-disclosure of taxes paid.

### **3.1.2.3 Ghana's Experience**

Mr. Franklin Ashiadey, the National Coordinator of GHEITI traced the situation of Ghana's extractive sector before signing up to the EITI process in 2003; noting challenges such as limited stakeholder participation and public understanding of issues of extractive sector management/policies; and existence of tension in some host communities among others.

Mr. Ashiadey observed that the critical factors for the success of the MSG were government commitment, strong and well informed CSO, supportive Private Sector, effective decision making rules and a strong oversight role by MSG.

The National Coordinator appreciated GHEITI's performance and noted that Ghana had produced 6 reports since 2003. He added that post compliance; GHEITI's efforts have included deepening the EITI implementation; bridging the reporting - lag; stakeholder engagement (on the EITI reports, draft legislation bill & extension to the forestry as well as oil and gas sectors.

He outlined the key findings of the audit reports produced as including lack of inter-sectoral collaboration; a Fiscal Regime which is not robust; poor revenue administration capacity, no enforcement of existing fiscal regime; and weak regulatory capacity of institutions especially at the sub-national level.

Mr. Ashiadey noted that the key achievements were the review of Mineral Royalties, Capital Allowance, proposed Ground Rents, and proposal to introduce Windfall Profit Taxes in the mining sector.

#### **3.1.2.4 Azerbaijan's Experience**

The Representative of Azerbaijan's EITI Secretariat, Mr. Farid Farzaliyev noted that his country volunteered to be the first to sign on to the EITI process at the First International Conference on EITI in London in 2003. He added that in 2004 a Memorandum of Understanding was signed by the Government Committee on EITI, the Extractive Industry Companies and CSOs in Azerbaijan with the aim of realizing and implementing the EITI process.

Mr. Farzaliyev disclosed that Azerbaijan had achieved a high level of information dissemination including the publication of reports on websites, national newspapers; and since the publication of its first report in 2005, 16 reports had been published between 2003 and 2011.

He highlighted the structures, processes and implementation mechanisms used in managing its oil wealth and noted that its reports had go as far as the UN. He added that its achievements so far as well as lessons learned had allowed for wide appreciation of what is being earned and increased civil society access to information; and an improvement in the investment climate.

### 3.1.2.5 Timor Leste's Experience

The representative of Timor Leste EITI Secretariat gave a brief background of the country and traced the history of his country in the EITI process. He disclosed that TL-EITI was admitted as a candidate in 2008 and became compliant in 2010.

He shared Timor Leste's nine years of experience in the EITI process and the significant levels of achievement made. He indicated that to effectively promote transparency, TL – EITI had established six portals for communicating on the following: (a) budget transparency; (b) aid transparency; (c) e-procurement; (d) government results portal; (e) the petroleum fund; and (f) Council of Ministry's Meetings.

He added that the Petroleum Fund portal seeks to improve checks and balances by spreading decision-making authority between various parties; promote transparency by allowing the public to see what is happening and to contribute to policy; and accountability by providing clear operating rules for all entities.

He concluded by sharing the challenges as the voluntary commitment of stake holders, lack of a regulatory framework and the need to develop an extractive industries database.

### 3.1.2.6 Niger's Experience

Madam Alfary Zarra Mamadou, a member of the Niger EITI Secretariat gave a background of their programme since joining in 2005. She indicated that having champions at very high level, thus accessing government's commitment and requisite resources has contributed to its achievements.

She stated that the major challenge her country faced was the high illiteracy rates, which made even posters have limited impact. This situation was however being addressed by the Secretariat making strenuous efforts to disseminate the information.

### 3.1.2.7 Gabon's Experience with Achieving Compliance – the Challenges

The representative of Gabon EITI shared insights about the efficacy of the instrument, standards and process pointing to the need for more scope for adaptability to country circumstances. He observed that the Francophone experience may not readily lend itself to the compliance requirements.

The Gabon's representative walked participants through the EITI process and challenges with standards set. He highlighted issues with confidence in the system.



### 3.1.2.8 Sierra Leone's Experience with Achieving Compliance – the Challenges

The National Coordinator of Sierra Leone's EITI (SLEITI), Mr. Kenei Lamin noted that Sierra Leone endorsed EITI in 2006 and became a candidate country in February, 2008. Its first reconciliation report was produced (2006-2007) and Validation Reports in 2010 but did not become compliant because certain indicators were considered unmet.

He indicated that to achieve compliance status, the Validator made some recommendations which they committed themselves to work at to achieve compliance. These recommendations among others included appointing a new SLEITI Champion with terms of reference, developing a new work plan with fixed timelines for implementation, establishing the MSG with terms of reference and legislation to back the work of SLEITI.

Mr. Lamin observed that although SLEITI was making efforts to implement the recommendations, it was still faced with challenges with meeting compliance. Some of the challenges included understanding and implementing the new EITI Rules; submission of reporting templates by Small-Scale extractive companies, Local Councils and Chiefdoms Administrations, Auditor General and poor records management.

He however stated that measures that had been put in place to address the challenges included:

- More training on the new EITI Rules for MSG, SLEITI staff and other key stakeholders
- Effective engagement with companies on the issue of external auditors endorsing reporting templates before submission
- Collaboration with the Corporate Affairs Commission in ensuring that companies submit regular returns which can provide information to SLEITI

He indicated that despite the challenges, their country report had also been made available in Braille for the visually impaired to use and be informed.

### 3.1.3 Questions/Emerging Issues

The key issues/questions and responses/recommendations (in italics) which emerged at the end of the session are summarized below:

- a. Nigeria: What role can the NEITI play in curbing perceived corruption from the Federal, State and Local level in the management and utilization of natural resource revenues.

- *NEITI seeks to provide relevant information about receipts and trying to break it down for the state communities and build capacity of CSOs and the citizens to require information*
- b. Ghana: statutory reports are only available up to 2009; how can this time-lag be reduced?
  - *GHEITI challenged to push for an obligated statutory mandate to ensure companies comply so as to churn out timely and reliable data and report. Reference made to the Bank of Ghana Act which mandates them to demand for information.*
- c. In Ghana traditional authorities control over 80% of land but had no representation on EITI.
  - *Traditional authorities should be ready to come along with transparency and accountability in their own systems.*
- d. Liberia: Why were payments to Ports and Harbours Authority and other state agencies included in the calculations?
  - *A total picture of revenues generated and payments made and the basis for their allocation were required.*
- e. Observation that EITI places a premium on communication and therefore emphasis should be on revenue from extractive industries and how these were spent.
  - *To address this, there was the need to focus on the total value chain.*
- f. There was the need for partnership between candidate and compliant countries to share experiences and collaborate on the promotion of transparency in extractive industries in the sub-region.
- g. Challenges with funding: alternative ways of funding EITI process should be explored including increased assistance from the International Secretariat.
- h. Need for enhanced and improved communication between communities and extractive industries to minimize suspicions and mistrust.
- i. Building the capacity of various levels of stakeholders to better understand and appreciate issues.
- j. Empowering communities through information sharing and in basic language for easy comprehension

- k. Finally, although EITI focuses on the transparency of revenues, other issues must be considered so as to present a picture of the whole.

### **3.1.4 Conclusions**

The Chairman for the session, Prof. Banoeng Yakubos summarized the key issues presented by each speaker and concluded on the following note:

- a. Need for enhanced and improved communication between communities and extractive industries to minimize suspicions and mistrust.
- b. Building the capacity of various levels of stakeholders to better understand and appreciate issues.
- c. Empowering communities through information sharing and in basic language for easy comprehension.
- d. Finally, although EITI focuses on the transparency of revenues, other issues must be considered so as to present a holistic picture.

## **3.2 Recap of Day One's Activities**

Mr. Franklin Ashiadey, the National Coordinator of GHEITI opened day two of the conference by recapping on day one's activities.

Mr. Ashiadey gave the highlights of the Opening session, the presentations on the various country experiences and the issues which emerged during the question and answer session. His presentation is in Annex 4.

## **3.3 Plenary Session Two – Transforming Countries through Natural Resource Wealth: Challenges in Management and Utilization of Natural Resource Revenues**

The second technical session which was chaired by Dr. Steven Manteaw, GHEITI CSO Representative provided reflections on transforming countries through natural resource wealth: challenges in management and utilization of the natural resource revenue.

Dr. Francisco Paris of EITI International Secretariat opened the session by discussing EITI International's perspectives on the challenges. This was followed by experiences on Nigeria and Azerbaijan. The session ended with a presentation by Mr. Emmanuel Kuyole of Revenue Watch Institute, West Africa who looked at global trends in addressing challenges in expanding the benefits of natural resources.

### 3.3.1 Presentation by EITI International Secretariat

Dr. Francisco Paris outlined the challenges in the management and utilization of natural resources revenue. He noted that the major challenge was achieving transparency in the process. He added that the key elements in every implementing country were the issues of companies' disclosure of payments; governments' disclosure of receipts of payments; independently and credibly verified and reconciled reports; the process overseen by multi-stakeholder group; and the process published and thoroughly discussed.

Dr Paris observed that EITI provided a forum for dialogue and platform for broader reforms. He cited the example of governments along with stakeholders seeking to work for more transparency in the areas of the award of licensing and contracts, and monitoring of the sector.

The EITI Representative noted the power of the multi-stakeholder process in helping to focus on the 'governance chain'. He concluded by calling for timely reporting, comprehensive and reliable data and the proper communication of reports for better appreciation and comprehension by all involved.

### 3.3.2 Presentation by Azerbaijan

Mr Farid Farzaliyev of the Azerbaijan EITI shared his country's experience in managing its natural resource revenue to bring about transformation in the economy. He traced the history of oil in Azerbaijan to 1847 through to the collapse of the former USSR; which saw the creation of a new oil strategy for the independent state of Azerbaijan.

Mr Farzaliyev observed that the oil strategy served as the backbone and engine of economic and social reforms in Azerbaijan. He listed the effects of this strategy on the economy as a successful macroeconomic stabilization programme supported by oil signature bonuses; a fully convertible local currency and built up hard currency reserves; sustainable foreign investment flow; and an integration into the world's economy.

The Azerbaijan representative stated that the State Oil Fund of the Republic of Azerbaijan (SOFAZ) was established in 1999 to preserve macroeconomic stability and transform its oil reserves into financial assets for current and future generations. SOFAZ

put in place appropriate measures to ensure transparency and effective use of revenues generated.

Mr. Farzaliyev noted that his country had not faced many challenges but successes because their history had informed them to ‘transfer the so-called black gold to human will’. Their achievements were also attributed to a national leader with a vision to improve the lot of the citizens. Projects undertaken with the oil revenue he noted included supporting refugees through the provision of housing, education of the youth abroad, development of the railway, irrigation and water systems.

He concluded by acknowledging SOFAZ’s prudent asset management and transparent practices which had earned it international recognition.

### **3.3.3 Presentation by Nigeria**

Mr. Bukola Joseph of NEITI began his presentation with the fact that when resources were badly managed, then the resources curse happens. He stated that natural resource revenue had been adequately managed and utilized towards driving sustainable development and growth in Nigeria.

He indicated that the resource revenue had been utilized and managed through genuine savings for future generations; investment in the domestic economy (“parking funds”); government spending on social infrastructure, debt interest financing and economic development; as well as servicing accumulated debt due to constant borrowing.

Mr Bukola Joseph noted that despite these achievements, Nigeria was faced with challenges such as corruption in the oil and gas sector which is attributed to weak technical know-how and weak policies and political institutions; limited information on the update and measurement of usage and future sustainability of resources; political instability; and internal conflicts which result in wars that greatly affect transparency.

He outlined processes to overcome these challenges as strengthening governmental institutional EITI framework; enhancing human capital and social development; avoiding the Dutch disease by creating necessary awareness on the need to pay taxes and the creation of sovereign wealth fund to benefit nation and host communities.

### **3.3.4 Addressing Challenges and Expanding the Benefits of Natural Resources Endowed Countries through EITI**

Mr. Emmanuel Kuyole began his presentation by strongly suggesting the need for EITI to adopt a progressive strategy after a decade of existence to remain at the forefront.



In analyzing global trends in the management of natural resource revenue, he observed practices such as:

- implementation of project by project reporting by open countries (such as Indonesia, Burkina Faso, Mali and Zambia);
- contract transparency being practiced by countries such as USA, Timor Leste and the Kurdistan province of Iraq;
- the publishing of the list of licenses and license holders (by countries such as Burkina Faso, Cote d'Ivoire, Tanzania, Congo and Timor Leste); with Gabon producing maps of concessions; and
- provision of information on revenue utilization by countries such as Ghana and Peru.

He noted that despite these efforts, there was the need for countries to go beyond the EITI reporting requirements by having a more robust process that covers the whole extractive sector value chain to avoid and minimize suspicion and mistrust. He was therefore happy that the EITI International Board had recognized the concerns raised by the evaluation and was soliciting inputs into the development of a new strategy after a decade of existence.

In addressing the challenges Mr. Kuyole noted that EITI should be about improving the livelihoods of the people. He identified 3 models/ strategy which could be used to improve transparency in the sector as follows:

- i. The Basic EITI Model which involved the provision of disaggregated data on revenues, stating the sources ( practiced by countries including Congo, Azerbaijan, Albania, etc)
- ii. Experience model being practiced by Timor Leste, Ghana and Nigeria which involves reconciling and auditing the reports of all companies and providing disaggregated data.
- iii. The Extensive model which goes beyond EITI aimed at undertaking physical and financial audits, providing disaggregated data, showing details of how funds were spent. He observed that countries such as Nigeria and Ghana could be in this model, however they faced challenges such as how to move funds from the federal to the local level in the case of Nigeria, and reporting on only a small percent (i.e 9% in the case of Ghana) of revenue.

He observed that an assessment of various country presentations indicated the need to move away from the simple EITI implementation to an extensive model which encompasses all processes along the value chain.

He also noted that the initiative should not be seen as an end but a means to an end and encouraged EITI to look critically at the broader issues of governance; taking into account country specific needs.

The Revenue Watch representative indicated that for EITI to be effective there was the need for project by project reporting; to curb corruption, contract transparency and disclosure of license/license holders is critical to preventing countries from being short changed. He also encouraged citizens and traditional authorities to demand accountability and transparency in the management of natural resource revenue.

### 3.3.5 Emerging Issues/Concerns

- The issue of investing large chunk of revenue outside host countries' jurisdiction as in the case of Azerbaijan (laying all eggs in one basket) must be carefully reviewed.

*These investment strategies met international best practice and Azerbaijan had diversified its investments by going into real estates as well.*

- The impact of conditionalities imposed on Africa countries by the West and the current focus on the emerging markets such as India and China where there are no conditions attached.
- How are the mineral wealth apportioned and the importance of communicating this effectively to citizens. For instance, the case of Nigeria using part of its oil revenue to train the youth in the oil and gas sector is noteworthy.
- The controversy over land ownership and resources which are held in trust for citizens by the State and the non-disclosure of contract terms to traditional authorities who are the custodians of the land and the citizens.
- The sharing ratios of mineral revenue described as 'cruelly disproportionate' and the need for governments to outline how the remaining 90% of the resources are used. For example in the sale of government shares in Anglo-Gold Ashanti, how much of the revenue went to the development of Obuasi (host community) and its environs?

- How best to ensure technology transfer inures to the benefit of citizens.
- Does the EITI draft legislation address the issue of contract transparency and the involvement of local communities?
- The role of the Administrator of Stool Lands and how their work can enhance the EITI processes.
- How do we establish mechanisms and how do we strive for integration?
- The need for the new EITI strategy to address the issue of contract transparency and involvement of the local communities.
- Mining companies should not assume the role of development agents as it was the duty of government and local authorities.

### 3.3.6 Concluding Remarks

At the end of the session Dr.Manteawsummed up the critical issues which emerged during the session as follows:

- Natural resources have the capacity to bring about development.
- However revenues from natural resources were subject to market fluctuations thus unpredictable and unsustainable.
- There is the need for citizen's participation in the formulation of policies.
- Investing the bulk of local funds causes overheating of the economy, thus it was best practice to invest outside of the host country.
- Building CSOs and citizen's capacity to monitor revenues and investments.
- Production of reports is not enough. The need for disaggregated data as well as the need for process and physical audits were recommended.
- Transparency through accountable governance leads to development.
- Companies should not assume development roles as it undermines the role of government and local authorities.

## 3.4 Brief Remarks by Partners/Stakeholders

### 3.4.1 Statement by GNPC

In a statement read on behalf of the Board Chairman of GNPC, Mr. K. Opoku, a member of the board noted that GNPC which was born 27 years ago out of the public accountability rights movement was still focused on the issue of transparency.

He stated that GNPC's competitive advantage had been derived from achieving lower cost, better relationship with its stakeholders and developing its industrial base. He further observed that to achieve transparency and accountability, there was the need for the engagement of the public for a better understanding of the industry.

The Board chairman indicated that issues of cost effectiveness, safe environment and local content were the major issues which engaged the attention of citizens; and it was important for stakeholders to understand how to achieve these.

He also called for the better resourcing of GNPC to enable it play its watchdog role well. CSOs were also to be equipped to effectively monitor the process. All these he observed underpinned the EITI process and stressed the need for public support for the EITI platform which complements the work of GNPC.

He ended by expressing GNPC's interest in the work of GHEITI, the reason why it offered support for the conference.

### **3.4.2 Statement by Tullow Oil PLC**

The Corporate Social Responsibility Manager of Tullow Oil, Mr. Ken Nunoo noted that Tullow Oil's commitment to transparency and accountability reflected in its core values, which included focus on results; promotion of integrity and respect in all we do; commitment to all stakeholders; and entrepreneurial spirit.

The CSR Manager indicated that Tullow as well as the other oil companies support EITI, thus their interest in the conference. He concluded by encouraging participants to openly discuss the issues to bring about greater transparency and accountability in the sector.

### **3.4.3 Statement by KOSMOS Energy**

The Chief Executive Officer of Kosmo Energy, Mr. George Sarpong shared with participants the company's operations in the oil sector in Ghana since 2007. He noted that KOSMOS was committed to observing best international practices in all its operations. He added that their commitment was reflected in the high premium the company places on anti-corruption initiatives and economic transparency.

The Chief Executive Officer of KOSMOS recognized that payments and receipts of mineral revenues should be transparent and EITI has demonstrated the potential power for good collaboration between government, private sector and CSOs.

He congratulated GHEITI for organizing this maiden regional conference and added that KOSMOS was an active participant in the EITI processes underscored by their involvement and support for the forum.

#### **3.4.4 Statement by Ghana Chamber of Mines**

The Chief Executive Officer of the Ghana Chamber of Mines, Dr. Toni Aubyn informed participants that the Chamber was a prime mover for the implementation of the initiative in Ghana. He noted with pride their association with EITI which had become a global standard for transparency in the sector.

Dr. Aubyn noted the Chamber's commitment to transparency, as it was a critical factor for business success. He added that the absence of transparency undermines public confidence in the legitimacy of those who hold the minerals in trust.

He stated that high quality information which was easily available and understood is a sure way to prevent corruption and conflicts between government, companies and host communities; enhance public confidence and; create the right climate for investment. He concluded by underscoring the Chamber's continuous support for GHEITI.

### **3.5 Plenary Session Three – Emerging Initiatives in Natural Resource Governance**

The third plenary session which was chaired by Hon. Fiifi Kwetey, Deputy Minister of Finance and Economic Planning provided opportunity for the sharing of experiences in various initiatives aimed at promoting natural resource governance.

The presenters for the session included the EU, Australian High Commissions Second Secretary, US Embassy and EITI International.

#### **3.5.1 Statement by European Union**

The EU Representative made the following remarks about the EU Transparency Legislation:

- Countries rich in oil and minerals needed good governance to harness that wealth for the benefit of their citizens. The promotion of transparency by multinational firms contributed to good governance in many countries and in the industry. It was for this reason that transparency was the cornerstone of the EU policy.



- These legislative proposals required EU-based companies to disclose their payments to governments for oil, gas, minerals and logging on a country-by-country and per project basis.
- There were possibilities of extending the legislation to other sectors.
- The amendments to existing EU legislation governing accounting and transparency standards were to ensure that listed companies and large un-listed companies were subject to these requirements.
- While the EITI process is voluntary, the EU legislation was mandatory for companies operating in all the 27 EU member states.
- EITI was an excellent process for improving governance and enhancing transparency. The EU legislation is complementary to the Process.
- EU would continue to support the work of the EITI process by supporting countries to achieve compliance status. For instance Ghana receives support from the EU through the multi donor trust fund.

### 3.5.2 Statement by Australian High Commission

Dr. Kate O'Shaughnessy, Second Secretary of the Australian High Commission noted the following:

- Australia had a long history in mining and had an effective approach to the management and distribution of mining revenue, and are therefore ready to share its experiences in the extractive industry.
- There are 230 natural resource companies operating in Australia and contributing \$50 billion in investments in that country.
- Corruption costs over \$1 billion thus the need to promote transparency and good governance in the extractive sector to ensure countries derive benefits from its resources.
- Australia strongly supports mining development in Africa and committed to supporting EITI. The country provided \$90 million to EITI to support capacity building for 2012 – 2015. Other areas of support include support for advocacy on mining and development, 1000 scholarships to African students to train in Australia and study tours to Australia to share best practices in the mining sector.

- Valued the principles of EITI and the need for every relevant country to come on board. The Australian government had announced a pilot programme for EITI implementation in 2011. EITI is shaping Australia's policy and engagement with other countries.

### 3.5.3 Statement by US Embassy on the Dodd - Frank Act

Mr. Thomas Chen of the Embassy of the United States of America shared with participants what the Dodd-Frank Act which outlines how companies listed on US stock exchanges must comply with its disclosure requirements. He indicated that the Act was created to improve transparency and accountability in the financial system noting that the law includes mandatory reporting requirements for oil, gas and mining companies in Section 1504.

Mr. Chen reiterated that the U.S. Congress took this historic step to counter the inherent challenges, with the help developing countries to make the most of the revenue they earn from natural resources, discourage corruption, reduce conflict and enable enhanced investor analysis.

He noted that the Dodd-Frank Act was compulsory for all US companies and their subsidiaries and the country was considering extending the Act to other extractive industries and other sectors such as fisheries, timber and other renewable sectors.

Mr. Chen added that EITI was receiving wide support and the US was the largest government contributor to the EITI's Multi-donor Fund and the Kimberly Process.

### 3.5.4 Statement by EITI International

Dr. F. Paris noted that although there were differences in opinion of the effect of the new US transparency requirements in the Dodd-Frank Act and the EU rules, EITI International saw these requirements as complementary to the EITI process and not in conflict to it.

He acknowledged the detailed disclosure policy of the Dodd-Frank Act, and advocated for more than just listing to respond to the needs of citizens. Although both initiatives provided a platform for dialogue, EITI enhanced and promoted better dialogue as EITI was not only about companies reporting payments to their governments but governments had to report on revenues received and there was an independent reconciliation and publication of reports.

Dr. Paris also observed that the EITI platform provides an opportunity for dialogue on all aspects of a nation's natural resources.

### 3.5.5 Emerging Issues/Concerns

What is the rationale and scope of Dodd-Frank?

- *Dodd-Frank requirements include report on project by project basis and full disclosures. As a transparency tool, the LI seeks to empower local growth.*

Disparities in the capacity level of CSOs monitoring and advocating on issues affecting the sector. Therefore there is the need for the EU and other DPs to support capacity building efforts of CSOs working in the sector.

- *CSO involvement is relevant so EU have specific financial tools to support specific tailor-made programmes and it is now involving the private sector. In Ghana the EU is supporting the Forestry Governance Programme launched in 2010 and CSO has a voice on this platform.*

Is the Dodd-Frank Act limited to only US or cover US companies operating in Africa?

- *The Act covers all listed US companies and their subsidiaries operating all over the world. The challenge is that if the company is not listed then it would not be covered by this Act*

There is the need for harmonization of EITI reports

- *EITI recognizes the challenge, as many reports were using different formats. It took a lot of work to harmonize the information. EITI rules and mandate is stricter on content of report and expects that 2012 reports would have a more harmonized content. The required communication tools were being promoted, yet it recognizes the need for country differences and content thus the need for countries to adapt systems to suit their local conditions.*

Concerns raised about Conditionalities associated with funding and its implications on Africa and the issue of conflict minerals.

- *The US and its Department have a range of programmes on conflict minerals. For example in Ghana it is working with the MMDAs in the Western Region.*

In addressing the issue of value addition, what plans do DPs have towards helping EITI compliant countries in Africa in refining their minerals and not trading the raw materials?

- *In planning for funding and support mechanisms the EU ensures that all programmes were complementary. The EU for example supports EITI, thus legislation is being developed. It also dialogues with governments and partners to ensure support for activities on the ground to add to technology transfer and strengthen the private sector and CSOs.*

### 3.5.6 Conclusions

The Chairman, Hon Fifii Kwetey made the following remarks at the end of the session:

- The EU had adopted a new Communication strategy on raw materials to assist natural resource rich countries to translate natural resources into sustainable economic growth.
- Although EITI was in the right direction, our approach to oil and gas should be the optimization of our objective function. That is getting the whole economy to maximize the revenues in the extractive industry is just one aspect.
- The need to look at the area of job creation, through the creation of linkages between the oil & gas sector and the other sectors of the economy.
- A fusion of that linkage would bring about total development. For example the use of bitumen is linked to the transport sector, which can lead to the creation of jobs in that sector. Other examples include issues of climate change which could be addressed by changing from charcoal usage to gas. All these would go a long way to create jobs in industries secondary to the extractive sector.
- There was the need for a sufficiency criterion to be developed.

## 3.6 Plenary Session Four – Establishment of Mechanisms for Regional EITI Co-operation

Dr. Esther Ofei-Aboagye, Director of the Institute of Local Government Studies in her introductory remarks noted the following:



- EITI involved extensive consultation and outreach to stakeholders and EITI Plus Plus (++) sought to provide a framework for identifying obstacles to effective governance along the entire chain of managing Extractive Industry resources.
- Although Sub-regional and regional organizations including ECOWAS, WAEMU, MRU, SADC and AU were becoming more involved in mining policy and governance issues, they may not have the adequate capacity or arrangements to undertake revenue transparency and social accountability on an adequate basis.
- An arrangement / body to foster stronger accountability/regulatory environment for natural resource disclosures must balance social, environmental and economic interests, and have the capacity to increase public confidence and trust in regulators and their decision-making practices.
- This mechanism must be well coordinated and must be capable of taking the regional implications of on-going efforts in the different countries and sectors and overall human resource development within the public and private sectors.

Dr Ofei-Aboagye listed some Common Critical Issues and Key Priorities as including:

- ✓ Environmental- issues of deforestation, loss of biodiversity, land degradation and need for reclamation.
- ✓ Social - poverty in mining areas, the implications for exploitation for the host communities, and issues of smuggling cross-border; in-migration and population pressures; attendant social concerns.
- ✓ Governance - insufficient transparency/consistency of decision making; lack of capacity of various actors; disenfranchisement of local communities; rent-seeking behavior; confusion of roles and responsibilities among various ministries (in-country); improving transparency and consistency of decision making; inadequate implementation, monitoring and enforcement of environmental and social policies and regulations; insufficient follow-up of identified critical issues and proposed useful solutions; and mainstreaming EITI into country systems and uptake of findings/actions on EITI assessments.
- Political economy - securing political will and stability at the highest levels of government; historical and economic legacies of the different potential members; balancing technical expertise, political acumen and social accountability,

anticipating resistance from key interests benefiting from sub-region wide activities; and different social structures and the interest in mining.

She identified existing resources for the quest for regional cooperation as the WAMSSA for the Mano River Union; AMGP promoted by the World Bank to assist Africa countries in the harmonization of regional and sub-regional mining sector policies; Extractive Industry Transparency Initiative Plus, Plus (EITI++) and the EMDP which provides for harmonizing member country mineral policies.

She indicated that there existed good reasons for cooperation which included regional comparisons for purposes of collectively and mutually strengthening EITIs; opportunities for economies of scale for greater social accountability; harmonization of codes, standards, policies to ensure adequate inclusion of accountability mechanisms; positioning mining as a key resource for economic and social development; and providing advisory and social accountability support to countries particularly in regulation, attention to standards, local development planning and implementation. The regional EITI cooperation, she noted would therefore serve as a mandate for action as well as a conduit between policy and decision makers and grassroots communities.

Dr. Ofei-Aboagyediscussed the challenges that could negatively affect the success of such cooperation; and also noted the lessons learnt over the period which could be adapted to make the regional body work effectively.

She also shared some possible objectives for cooperation, but indicated that the objectives would reflect the greatest need that regional cooperation will serve. (i.e. why do we need it?; What would be the purpose?). This she observed would go some way in determining the structure, location, required resources and implementation strategy for its establishment including phasing.

Other issues Dr. Ofei-Aboagye's presentation touched on included understanding the culture of cooperation; the approach and scope to the cooperation, which could begin from non-binding cooperation mechanisms that could help in natural resource extraction services; and defining the framework and how it would function.

### 3.6.1 Emerging Issues/Concerns

#### *Issues Raised by Participants:*

How could countries evolve and get statutory backing and how would a regional body be funded when countries do not budget for EITI activities?;

- The need to move with caution on the establishment of a regional body considering the tripartite relationship ( i.e. Gov't, Private sector and CSOs) in the process. What would be the role of these stakeholders at the regional level?
- Concerns about investor confidence when countries were seen to be doing different things.
- Despite the perceived challenges, the idea of a regional body is good, thus there was the need to start thinking of the concept and approach.
- The idea of a regional body is a good one but there were a lot of challenges ahead, looking at how efforts like the ECOWAS initiative to harmonize Mining Codes in the sub-region had fared. Concerns about loss of potential investments were affecting cooperation within the region and sub-regions.
- EITI would not be successful if we shy away from the issue of illegal mining activities taking into consideration its negative impact on our environment
- What is EPA doing about the illegal mining syndrome? As an institution, it needs to be bold to enforce the law.

***Response/Feedback from Presenter:***

- ❖ All the issues raised by participants were extremely important as many countries lack the political will and clear budget line for EITI process. The issue was akin to the chicken and egg situation. A regional body could put pressure on member governments to support this initiative. A regional voice could therefore exact some level of commitment from governments.
- ❖ Difficulty of legal backing could form a basis for advocacy.
- ❖ Whether the tripartite arrangement could survive the regional arrangement depends on the principle put in place for the functioning of the body. Baby steps could be taken by setting a committee to start the project.

- EITI regional body could piggy-back on already existing regional bodies' initiatives such as the African Mining Vision without being a fully-fledged mechanism and agree with such bodies on activities for collaboration.
- As part of the thinking process for the EITI global conference, there could be a regional meeting (could be a virtual meeting) to plan some exchanges.

#### ***Other Responses/Feedback:***

Despite the contributions of CSOs, mining has not yet impacted the lives of the people as expected. The EITI should deal with issues of checks and controls in contracts and how these things were fixed. Thus the idea of this mechanism could be an Annual Review to take into account the major concerns, harmonizing and sharing of good practices by member countries at such a platform.

The gaps identified in the published reports could be addressed through the recommended mechanisms. EITI International should be seen to be enforcing this up stream value chain.

The recommendations were invaluable. It could be a mechanism for peer review.

Illegal mining was a world-wide problem which required concerted action by all stakeholders (i.e. government, law enforcement agencies, traditional authorities, MDAs, and communities). For instance how do the Chinese engaged in illegal mining gain entry into Ghana and who gave them the lands to mine on. Their activities are with the connivance of our citizens, traditional authorities and law enforcement agencies.

The issue of illegal mining went beyond economic considerations; it is a socio-political canker with security and economic dimensions.

Traditional authorities present at the meeting stressed that Chiefs were not involved in illegal mining (ie. Galamsey). However other participants also thought it would be out of place to think that Chiefs were not party to the illegal mining menace. Thus all stakeholders should see the problem as their collective responsibility and agreed to address the problem holistically.

For natural resource rich countries to achieve sustainable development and growth, the focal point of development should be the community as the totality of our communities makes the nation.



### **3.7 Conference Conclusions by Rapporteur**

Dr. Esther Ofei-Aboagye, Director of Institute of Local Government Studies presented the conclusions of the 2-day conference, highlighting on the key issues raised by the presenters, discussions that ensued and the conclusions reached at the conference.

The conclusions of the conference formed the basis for the communiqué issued at the end of the 2-day meeting. The communiqué is presented in annex 5.

A summary of the conclusions were as follows:

1. This Conference allowed for sharing experiences on the conduct of EITI processes, the gains, the challenges, the innovations, maximization of opportunities and the prospects for the way forward.
2. The conference re-affirmed the principles associated with EITI including the need to leverage the considerable resources that mining and other extractive industries provided for achieving sustainable and equitable development.
3. It also confirmed that citizens' participation was critical in ensuring transparency and improving accountability to bring about the desired development. That the desired transparency and sustainability could only be achieved with extensive disclosure of information, disaggregated reporting and auditing the entire value chain.
4. The achievements of the EITI process for various countries were evident including wider information dissemination, legislative review or passage of relevant laws and citizens' effective participation in public decision-making and budgeting.
5. There were indications of the increasing recognition and importance of EITI in participating countries and internationally.
6. Countries were doing more than the EITI requirements and had found innovative ways of promoting information dissemination on who was operating where, details of contracts, proceeds and payments;
7. The conference noted that the capacity to monitor funds flows by different stakeholders must be built for effective engagement.

8. It was observed that it was also not enough to just produce EITI reports but also to focus on the uptake of the recommendations.
9. Participants were exposed to various practices that had worked in various country experiences including:
  - Sustained advocacy to stimulate strong political support including mainstreaming in national development agenda
  - Creative use of electronic communication and information technology to disseminate information widely
  - Establishment of disaggregated “portals” to analyze transparency in budgets, procurement, contracting and development assistance
  - Adaptation of information for different users including the visually impaired e.g. provision in Braille
10. However, there were indications that a progressive strategy for the way forward after almost a decade of implementation of EITI was required. The considerations were as follows:
  - There is the need for participating countries to consider the good practices from other countries for incorporation into their own practices.
  - A more holistic approach to reporting on the entire extractive industries chain should be considered. For instance, requirements for project by project reporting; contract transparency and full disclosure of licence-holders and company directorships/ownership should be aimed at.
  - Consistent efforts should be made towards promoting similar levels of transparency in contracting, operations and payments for all mining-related and extractive industry activities to create value chains should be made by participating countries.
  - New developments in donor countries and international markets (such as in the European Community and the United States of America) indicate that clearer and more disaggregated reportage is being required from firms listed in their countries. It is important that African/developing countries are not overtaken by events and take advantage of this trend as well as the initiative to improve on data requirements and reporting in their own countries.
  - Disclosure of budgetary information on how arising funds were used is useful at the sub-national level as well. Therefore, the use of natural resource fund flows in districts and municipalities requires our attention. Follow-up to ensure that such funds are actually used as indicated and the

evidence that they have impacted positively on the lives of the people should be planned and provided for.

11. There was an urgent need for public advocacy for resources to support EITI Initiatives in participating countries. The messages that can strongly support this included the gains derived from EITI and the prospects for eliminating waste, corruption and inefficiencies. Development partners at the meeting indicated their willingness to assist in supporting initiatives that prove to foster transparency meaningfully and improve investment climates.
12. Other advocacy issues were that EITI is mainstreamed into national development planning and budgeting efforts to strengthen the link between transparency, accountability and overall development. Indeed, legislative support for EITI to ensure that relevant information could be quickly accessed and logistical support for the process should be a key advocacy objective.
13. From this stage, there was the need to move on, not rest on our oars. Therefore the agenda for the way forward in the short term could include:
  - The need to develop mechanisms to examine carefully the impact on the environment, livelihood, abuses and conflicts.
  - Efforts to improve timely as well as comprehensive and disaggregated reporting.
  - The involvement of more CSO actors in the Multi-Stakeholder Group (MSG) including more meaningful and adequate representation of traditional authorities, in particular and other identifiable representatives of the people.
  - Resolving the tension between standardization in the kinds of information/assessment and analysis on the entire range of issues involved in mining and extractive industry investments and payments; versus maintaining sufficient flexibility to accommodate the different circumstances of countries and different players within them.
14. The need for partnership between candidate and compliant countries to share experiences and collaborate on promoting transparency in extractive industries in the sub-region.
15. Addressing challenges with funding: apart from the advocacy intervention identified earlier, alternative ways of funding EITI process should be explored. Amongst others, increased assistance from the International Secretariat as well as

from national government budgets and from the private sector should be vigorously pursued.

16. “Establishing a Regional Mechanism for Collaboration: Moving from Our Individual Efforts to a Regional Voice” was a major focus of the Conference. It emerged that:

- There is certainly the need to pull together individual country experiences around some agreed pillars for the way forward.
- As a basis for moving towards integration, the African Mining Vision 2050 of the African Union and United Nations Economic Commission for Africa and the ECOWAS Mining Policy can be used.
- The regional integration mechanism should provide an opportunity for the different participating countries to share what they have for the region’s collective benefit.
- The Mechanism must take advantage of emerging information dissemination facilities particularly, electronic information-sharing as a starting point for strengthening collaboration.
- The reflections for the way forward arising from the different presentations shall provide an agenda for initial work on and by the Regional Mechanism for Collaboration.
- The proposals made in the Conference Paper for a rapid start up should be explored further and adopted as a starting point by one or more countries.

## 4 CLOSING CEREMONY

The Closing Ceremony was chaired by Mr. Enoch H. Cobbinah, Chief Director of the Ministry of Finance and Economic Planning and Chairman of GHEITI. The Closing Remarks were given by the EITI International Representative and Secretary to the Cabinet, Mr. Ben Eghan who represented the Minister of Finance and Economic Planning.

### 4.1 EITI Representative’s Closing Remarks

In his closing remarks Dr. F. Paris expressed his gratitude to the organizers of the conference and noted that it had offered a good opportunity for rethinking. He thanked all the participants for attending the conference.

He also noted the following:



- The meeting provided an opportunity for peer learning and critical discussions.
- The need to make our voices heard ahead of the strategic review meeting by being active in the discussions that are on-going.
- We have heard a lot at this meeting and there was still much more to be done to ensure transparency and good governance in the sector. There was the need for member countries to be more innovative and ambitious at all levels in making sure their reports were timely and regular and along the whole value chain.

## **4.2 Minister of Finance's Closing Remarks**

Mr. Ben Eghan, Secretary to the Cabinet, who represented the Minister of Finance and Economic Planning congratulated participants, sponsors and organizers for a very successful conference. He noted that the considering its theme the Regional Conference had met its main objective of bringing participants in the EITI process from all over the world to share experiences and to make proposals for charting the way forward for improving the process and for further collaboration.

Mr. Eghan observed that the reflections on implementing EITI had drawn on the efforts of different countries, identifying several commonalities about the gains as well as the challenges.

He reiterated that EITI was primarily about ensuring accountability and optimizing the benefits of extractive industries for pro-poor development; it also fosters commitment to equity, transparency and credibility on the part of all the players; and ultimately results in a win-win situation.

Mr. Eghan however noted that the EITI process could run into resistance from powerful actors in the short run and other practical and administrative challenges including access to information, reliable and consistent data and finding the right champions in government and industry.

Reports may not have been submitted on time. Findings in-country may not have been adequately disseminated and some EITI partners may have been disappointed that prompt action has not been taken on the findings. Certainly not all actors have demonstrated the capacity to engage in the process. Several civil society partners are willing but weak. Other key players such as traditional authorities may not have been sufficiently involved in the process.

He indicated that despite the challenges, the future of the process looked bright as several countries including Ghana were improving systems and processes that had implications for enhancing the EITI process. He cited examples such as the adoption of the Integrated Financial Management Information Systems and improving the management of statistics especially in the public sector.

Mr. Eghan added that international imperatives for improving citizens' participation in public financial management and building capacities for social accountability were also at the top of the agenda.

He encouraged countries to continue the good work and not be deterred by the challenges as they were presently, as the valuable lessons learnt and the support of the International EITI Secretariat should motivate them to take advantage of opportunities for data management and information sharing.

He pledged the Government of Ghana's continuous participation in the process in Ghana and other areas it may be required as EITI provided a "best practice" template that could be applied in other undertakings that involve the generation and use of public resources. He recommended the need for extension of the present coverage to include forestry and the other minerals such as salt.

The Secretary to the Cabinet concluded his remarks by encouraging countries to continue to collaborate and share experiences; where resources allow, build capacities together as they seek to improve the well-being of their people through the creation of jobs, social development and equal opportunities for all sections of society.

He commended participants, organizers and sponsors for a successful event and officially closed the conference.

## GHEITI REGIONAL CONFERENCE



*Mr. Franklin Ashiadey National Coordinator **GHEITI**.*



*Hon. Deputy Minister of Finance and Economic Planning, Mr. Fifi Kwetey.*

*"Natural Resource Governance: Setting Standards"*





*L-R Dr. Francisco Paris, Mr. Thomas Chen, Hon. Fifi Kwetey, Kate O'Shaughnessy and Bart Missinne.*



*Culture Troop entertaining conference participants*



## ANNEX 1

### COMMUNIQUE

On Setting Standards in Natural Resource Governance with EITI  
Adopted at the Africa Regional EITI Conference in Accra at La Palm Beach  
Hotel, on September 27 - 28 2012

#### PREAMBLE

We, the participants of the Africa Regional EITI Conference held at the La Palm Royal Beach Hotel in Accra Ghana on September 27 and 28, 2012, on the theme “*Natural Resource Governance: Setting the Standards with the EITI*”;

**Having listened** to country experiences and lessons from the implementation of EITI, particularly regarding how the initiative can help improve the dividends from the exploitation of natural resources for citizens of host countries;

**Having had the opportunity** to seek clarifications and to re-examine the EITI concept and how it can better work for us;

**Having noted** the need for innovation in order to maximise the opportunities and the prospects the initiative presents for better management of extractive sector revenues, towards economic growth and poverty reduction in our countries;

**Conscious of the fact that** greater transparency in the extractive sector is key in empowering and helping citizens to make informed demands for the equitable and sustainable use of incomes generated through the exploitation of natural resources;

**Re-affirming** the principles of EITI as a veritable global bench mark for good natural resource revenue governance;

**Recognising** the importance of our collective efforts towards achieving transparency and good natural resources governance as reflected in the conference theme of “Establishing a Regional Mechanism for Collaboration: Moving from our Individual Efforts to a Regional Voice”;

**Acknowledging** the expressed commitment of development partners at the conference to support initiatives of developing countries on good natural resource governance and the protection of the rights of host communities in order to improve the investment climate;

**Noting** that the achievements of the EITI process in the various countries are varied and wide ranging including more extensive information dissemination, legislative review or passage of new relevant laws, citizens' effective participation in public decision-making and budgeting etc;

**Noting** that innovative ways of promoting information dissemination on details of contracts especially proceeds and payments may result in sustained advocacy to stimulate strong political support for mainstreaming EITI objectives in the national development agenda of participating countries;

**Noting further** that creative use of electronic communication and information technology to disseminate EITI information based on disaggregated "portals" to analyse transparency in budgets, procurement, contracting, development assistance and adaptation of information for different users including the visually impaired by providing reports in Braille would build citizens' confidence in the EITI process;

Declare as follows:

17. That the capacity of different stakeholders to monitor funds flows must be built further for more effective engagement and interaction;
18. That EITI reporting must not be allowed to become a meaningless ritual but also focus on the uptake of the recommendations within participating countries to derive the full benefits of these exercises;
19. That after almost a decade of implementation, the EITI ought to move on to full disclosure along the value chain in a progressive strategy including but not limited to project specific reporting, contract transparency, and full disclosure of license-holders and beneficial ownership of extractive industry companies;
20. That, participating countries should consider good practices from other countries for adoption and incorporation into their own practices;
21. That, African countries should take advantage of new developments in donor countries and international markets (such as in the European Community and the United States of America) that require clearer and more disaggregated reporting from firms listed in their countries;

22. That, implementing countries should make the effort to promote greater disclosure of budgetary information and follow-up on how arising funds are used at the sub-national level to ensure that such funds are actually used as indicated and that natural resource exploitation would have positive impacts on the lives of the people.
23. That, participating countries should seriously consider legislative support for EITI to ensure its sustainability and the allocation of resources through national budgets for its implementation.

We make these declarations, while also acknowledging the need to pull together and optimise individual country experiences around some agreed pillars for the way forward. A short-term agenda that should be pursued include but not limited to:

- ✓ Development of mechanisms to examine carefully the impact of extractive sector on the environment, livelihood, human rights abuses and conflicts.
- ✓ Improvement of more timely, comprehensive and disaggregated reporting.
- ✓ Involvement of more CSO actors in the Multi-Stakeholder Group (MSG) including more meaningful and adequate representation of traditional authorities as well as other identifiable representatives of the people.
- ✓ The EITI International Board developing standards that will provide comprehensive information/assessment and analysis of issues in mining and extractive industry investments and payments as well as maintaining sufficient flexibility to accommodate the different circumstances of countries and different players within them;
- ✓ Vigorous efforts to address challenges with funding the EITI process including increased assistance from the International Secretariat, national government budgets and from the private sector;

Furthermore, we commit to working around the several critical issues and options raised during the conference in the hope that the reflections for the way forward arising from the different perspectives shared at the conference would provide an agenda for initial work on a Regional Mechanism for Collaboration.

**DATED SEPTEMBER 28, 2012**

**ACCRA**





*Cross section of Conference participants*



*Cross section of Nananom at the Conference*



## Annex 1: Programme



### GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (GHEITI) REGIONAL CONFERENCE

THEME: NATURAL RESOURCE GOVERNANCE; SETTING STANDARDS WITH EITI  
DATE: 27<sup>TH</sup> – 28<sup>TH</sup> SEPTEMBER, 2012  
VENUE: LA PALM ROYAL BEACH HOTEL, ACCRA-GHANA



<b>Thursday, September 27, 2012</b>	
7.30 a.m	<b>Registration</b>
8.30a.m	<b>Moderator: Emma Morrison, Media/Communications Expert</b> Introduction of Chairperson
8.40a.m	<b>Chairperson: Naa Prof. John Nabila, President National House of Chiefs</b> Chairperson's Response
8.55a.m	Welcome Address: <b>Mr. Enoch H. Cobbinah, Chief Director, MoFEP and Chairman of GHEITI</b>
9.10 a.m	Opening Remarks: <b>Hon. Dr. Kwabena Duffour– Minister of Finance</b>
9.40 a.m	<b>CULTURAL INTERLUDE</b>
	Keynote Address <b>H.E Kwesi Amissah Arthur, Vice President of the Republic of Ghana</b>
	<b>Group Picture and Cocoa Break</b>
11.00 a.m	<b>Chair: Prof. Banoeng Yakubo, Chief Director, MLNR</b>
11.05 a.m	Natural Resource Governance: Setting Standards with EITI <b>Speaker: Bishop Akologo – Executive Director, ISODEC Ghana</b>
11.35 am	Country Experiences - Implications of EITI Compliant Status on Governance, Management and Standards for Effective EITI Implementation <ul style="list-style-type: none"> <li>• Ghana</li> <li>• Nigeria</li> <li>• Liberia</li> <li>• Azerbaijan</li> <li>• Timor Leste</li> <li>• Niger</li> </ul>
12.35 pm	Achieving Compliance – The Challenges <ul style="list-style-type: none"> <li>• Gabon</li> <li>• Sierra Leone</li> </ul>
1.05 pm	<b>Questions and Answers</b>
	<b>Concluding Remarks: Hon. Minister for Lands and Natural Resources</b>
	<b>Lunch Break</b>
2.30 pm	Chair: Dr. Steven Manteaw, EITI CSO Representative

2.35 pm	Transforming Countries through Natural Resource Wealth: Challenges in Management and Utilization Natural Resource Revenues  <b>Speakers:</b> <ul style="list-style-type: none"><li>• <b>Dr. Francisco Paris, EITI International Secretariat</b></li><li>• <b>Azerbaijan</b></li><li>• <b>Nigeria</b></li></ul>
4.00 pm	Questions and Answers
4.30 pm	Concluding Remarks by Chair : Dr Steven Manteaw
4.40 pm	Cocktail and Networking Session
<b>Friday, September 28, 2012</b>	
7.30 a.m	<b>Registration</b>
8.30a.m	<b>Moderator: Emma Morrison, Media/Communications Expert</b>
8.35 a.m	<b>Chair: Mr Enoch H Cobbinah, Chief Director, MoFEP and Chairman of GHEITI</b>
8.40 a.m	Sponsors' Remarks: <ul style="list-style-type: none"><li>• <b>Dr. Toni Aubynn – CEO, Ghana Chamber of Mines</b></li><li>• <b>Mr Dai Jone – MD, Tullow Oil</b></li><li>• <b>Representative – Komos Energy</b></li><li>• <b>Representative – GNPC</b></li></ul>
8.55 a.m	Recap of Day One's Activities Speaker: <b>Mr Franklin Ashiadey, EITI National Coordinator (Ghana)</b>
9.10 am	Addressing Challenges and Expanding the Benefits of Natural Resource Endowed Countries through EITI <b>Speaker:</b> <b>Mr Emmanuel Kuyole, Africa Regional Coordinator, Revenue Watch Institute</b>
	<b>Group Picture and Cocoa Break</b>
10.10 a.m	<b>Concluding Remarks: Mr Enoch H. Cobbinah, Chief Director MoFEP and Chairman of GHEITI</b>
10.20 am	<b>Cocoa Break</b>
10.50 am	<b>Chair: Hon Fiifi Kwetey, Deputy Minister, MoFEP</b>
10.55 a.m	Emerging Initiatives in Natural Resource Governance <b>Speakers:</b> <ul style="list-style-type: none"><li>• <b>Dr. Francisco Paris, EITI International Secretariat</b></li><li>• <b>EU</b></li><li>• <b>Dr Kate O'Shaughnessy, Second Secretary Australian High Commission</b></li><li>• <b>Thomas Chen, US Embassy – Dodd Frank Act</b></li></ul>
12.15 pm	Discussions, Questions and Answers
1.30 pm	Lunch
2.30 pm	Establishment of Mechanisms for Regional EITI Cooperation Speaker: <b>Dr. Esther Ofei-Aboagye</b>
	Discussions, Questions and Answers
2.50 p.m	Conference Conclusions

	Closing Remarks Representative EITI International Hon. Dr. Kwabena Duffour, MoFEP
3.20 pm	Visit to the Kwame Nkrumah Mausoleum and Art Centre

**PROUD SPONSORS:**



***Annex 2: List of Participants***

Agbemadon Didier Vincent	-	ITIE-Togo
Amekudzi Koffi	-	ITIE-Togo
Cecelia C. Mattia	-	NACE-Sierra Leone
Mustapha o. Thomas	-	NACE-Sierra Leone
Fernando da Silva	-	EITI-Timor Leste
N. Pankas	-	ITIE-Togo
A. Jalloh	-	EITI- Sierra Leone
Florent Okoko	-	EITI -Congo
Lalanirina	-	WWF-Madagascar
Rakotoarinana Julier	-	WWF-Madagascar
Francis Paris	-	EITI –Oslo
Lacver Carle	-	University of Chicago
Bifii Judith Konbate	-	EITI –Togo
Dzivenou Mensah	-	ITIE-Togo
Takpa Koolada	-	ITIE-Togo
Dylan S-Thomas	-	EITI- Sierra Leone
Mark Bomani	-	TEITI
Naria Tekuelve	-	German Embassy
Janiny J.	-	EITI-Madagascar
Hounguenari Nouckaga	-	EITI Garbon
Obiageli Onuorah	-	NEITI
Bokola Tosenu	-	NEITI
Hama Souleynane	-	ITIE-NIGER
Lokoko Abdou	-	Societe Civile-Niger
Athuman Kwariko	-	EITI-Tanzania
Catherine Mbatia	-	EITI-Tanzania
Rhoda James	-	EITI-Tanzania
Tchandao Piolalo	-	ITIE-Togo
Aniko Fortune	-	ITIE-Togo

Sam Tokpah	-	EITI-Liberia
Kenei Lamui	-	EITI- Sierra Leone
Tiifomo Sarmento	-	EITI-Timor Leste
Bishop Stephen Munga	-	TEITI
Nakanga J. Feligen	-	EITI-Garbon
Kate O'Shaughnessy	-	Australian High Commission
Stephanie Kimber	-	Australian High Commission
Nanette Derby	-	AfDB
Thomas Chen	-	US Embassy
Bart Missinne	-	European Union
Harlal Kippers	-	GIZ
Farid Farzaliyer	-	EITI-Azerbaijan
Esther Ofei-Aboagye	-	ILGS
Elizabeth Nancy Amoyaw	-	MoFEP
Michael Akafia	-	Gold Fields
Millicent Tetteh	-	ILGS
Erika M. Osae	-	ILGS
Angela Ahlogah	-	GIL
Bishop Akologo	-	ISODEC
Moses Klebu	-	EPA
Elsina Davis	-	MoFEP
Slyvester Awozum	-	EPA
Josephine A. Brukum	-	MoFEP
Cecilia I. Akwetey	-	MoFEP
Victor Kwabena Nimo	-	GGL
Dr. Johnson Manu	-	University of Ghana
John A. Koranteng	-	J&P Transcomput Ltd
Lilian Oduraa	-	Public Agenda
George M. Duker	-	Platform on Oil&Gas
Betty D	-	PIAC
Martha Kumi	-	GNPC
D. A Boateng	-	PIAC
Edmund Smith Asante	-	PWYP-Ghana
Victor Osei	-	O.M.A
K. Boa-Amponsem	-	Boas & Associates
Dr. Joe Asamoah	-	EW Africa
Peter Kwarteng	-	MoFEP
David Okpodo	-	MoFEP
Simon Atebuya	-	MLNR
Kwesi Addae Owusu	-	MoFEP
Prof. Bruce Banoeng Yakubu	-	MLNR
Franklin Ashiadey	-	MoFEP
Sheila Naah	-	MoFEP
M.Bash Abdul-Razak	-	MoFEP
Doree Asare	-	MoFEP
Vincent Azorli	-	MoFEP
Nora Azu	-	MoFEP
Oppon Sasu	-	FC
Ruth Asare	-	MoFEP
Andrews Opare	-	FC
Victor Kofi Baidoo	-	MoFEP
Major Ablorh Quarcoo	-	PIAC
Linda Tamakloe	-	GNPC

Edna Ofosu-Amoah	-	MoFEP
Henry Tackey	-	Ministry of Justice
Faith A. Armah	-	Kosmos Energy
Alexander N.M Pappoe	-	University of Cape Coast
Stanley Amamu	-	Kosmos Energy
Dr. Chris Anani	-	University of Ghana
Hamidu Adakurugu	-	MEST
Anthony A. Aggrey	-	Transcomput Ltd
F. Kwatey Ananag	-	MoFEP
Tawia Addo Ashong	-	Newmont Company Ltd
Emma Tarrant Tayou	-	RWI
Ken McGhee	-	Tullow Oil Company
Michael Lamptey	-	MoFEP
Benjamin Torsah-Klu	-	MoFEP
Nana Adwoa Dufu	-	GNPC
Dr. Asamoah Baah	-	MoFEP
Dennis Amponsah	-	MoFEP
Francis Amankwa Poku	-	MoFEP
Edna Baffour Awuah	-	MoFEP
Yvonne Ablorh Quarcoo	-	Australian Trade Company
Duodu Acheampong	-	JDA
J. B. Okai	-	MoEn
Frank Turkson	-	GMC
B.C.D. Ocansey	-	GRA
Victoria Benson	-	MoFEP
Roland Awelinga	-	PWYP-Ghana
Philomena Johnson	-	PWYP-Ghana
Amponsah Larbi	-	PWYP-Ghana
Wayo Abubakari	-	OOP
DelaKlubi	-	GRA
Amponsah Tawiah	-	MC
Dr. Steve Manteaw	-	PWYP/ISODEC-Ghana
Allan Lassy	-	GIZ
Silas Ewutonah	-	GIZ
Demian Reyels	-	GIZ
Sulemanu Koney	-	Ghana Chamber of Mines
Chris Afedo	-	GRA
Christie Esi Bobobee	-	OASL
Kwasi TwumAddo	-	MoEn
Hannah Owusu-Koranteng	-	WACAM
George Sarpong	-	Kosmos Energy
Kwame Boakye	-	Kosmos Energy
Richard K. Afenu	-	MC
Sam AddoNortey	-	GNPC
Dr. Gad Akwensivie	-	OASL
Stella Badu	-	Ministry of Justice
Bannor Frank	-	PWYP
Rushaiya Ibrahim-Tanko	-	Revenue Watch Institute
Eennie Franton	-	CSP
Joyce Agbenaku	-	ILGS
Lawrence K. Batsa	-	PWYP-Ghana
Samuel Kuyole	-	Revenue Watch Institute
Rita Azameti	-	Women Empowerment



Richard Ellimah	-	PWYP-Ghana
William Larbi Amoah	-	GGI
Solomon K. Ampofo	-	Friends of the Nation
Richard Adjei Poku	-	L&E-Ghana
Esther Owusu	-	Women Empowerment
Sosu Debora	-	Oil & Gas Platform
Noble Wadzah	-	Oil & Gas Platform
Nana Ngoa Kodum II	-	Bibiani Chief
Osaberemah Kwaku Aterkyii	-	President, B/A House of Chiefs
Daasebre Osei Bonsu II	-	Ashanti Regional House of Chiefs
Prof. J. S. Nabila	-	National House of Chiefs
Odeniho Nsiah Ababio	-	Paramount Chief, Kenyasi no.2
Nana Osei Kofi Abiri	-	Paramount Chief, Kenyasi no.1
Bffour Aboagye Agyeman II	-	Adansi Traditional Council
Okogyeamah Kwaku Gyamporah III	-	Western Regional Hose of Chiefs
Ogyeahoho Yaw Gyebi II	-	Paramount Chief, SefwiAnhwiaso
Sam Coffie	-	TV3
Shadrach Oduro	-	TV3
Obila O fori	-	TV3
George Boakye	-	TV3
Frederick Asiamah	-	Public Agenda
Mercy .A. Darko	-	GBC Radio
Benson Afful	-	B&FT
Christine Akorlie	-	GNA
Florence Anim	-	Insight
Benogono Michael	-	Free Lance
Malise Otoo	-	African Review Magazine
Alice Aryeetey	-	Daily Graphic
Samuel Adano	-	Daily Graphic
Charles Amankwa	-	Ghanaian Times
Maxwell Bilson	-	Ghanaian Times
Collins Kofi Agyapong	-	Radio Univers
Wilfred Otoo	-	Daily Searchlight
Nana Essuman	-	Joy
Thomas Chen	-	US Embassy
John Alexander Akon	-	Obuasi Municipal Assembly
Eric Addae	-	Asutifi District Assembly

## ***Annex 3: Recap of Day One***

### ***List of Presentations***

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#### **Summary of Emerging Issues from GHEITI Regional Conference**

These are the highlight from the various presentations:

- EITI is not the panacea, more needs to be done
- The key note speaker admitted that mere implementation of EITI will not provide the omnibus solution to all the developmental problems of our society
- EITI must be mainstreamed to strengthen the link between transparency, accountability and overall development
- There's the need for innovative strategies that speak to peculiar situations and this was re-echoed by almost all speakers
- There must be transparency in contracting, operations and payments as this is critical for EITI implementation
- Some of the benefits of EITI guided and informed the management of the recently discovered hydrocarbon resources to make away 30% of our total petroleum revenue receipts for investment and for future generations
- EITI further informed and guided the passing of the Public Petroleum Management Act, Act 815 (PIAC) and the Petroleum Revenue Management Act.

Other speakers also highlighted the following points and made these admissions:

- The recognition and importance of the EITI
- It helps to eliminate waste, corruption and inefficiencies that thwart genuine efforts to progress as a people
- Ghana embraced EITI because it was a deeply thought through the exercise which is meant to enhance the development outcomes of natural resources in the country
- The EITI has since informed and affected major institutional and policy reforms currently taking place in the mining sector.
- EITI has become a useful guide

Chairman's remarks:

- Emphasis on the importance of the topic
- Need for countries and for that matter Ghana to be alert so resources do not go waste

- Emphasized importance of traditional authorities who own 80% of land and why they must be taken seriously and actively involved
- The role of DA's now as they are beginning to play their role
- Various legislations enacted or in process as a result of that

Other solidarity messages from CSOs and development partners highlighted the following:

- The importance of transparency and accountability in the extractive industry
- The legal framework to guide its implementation
- The media and citizens role in demanding accountability
- The need for government and the extractive industries to be innovative and cautious to avoid the opportunistic tendencies and ride freely
- Need to examine carefully the impact of these activities on the environment, livelihood, abuses and conflicts
- Need to focus on the huge agenda ahead and not rest because of successes
- Need for better reporting,
- Need for timely reporting as well as comprehensive reports
- CSOs representatives highlighted the gaps and the need for more to be done to make the EITI effective.
- The involvement of more CSO actors in the MSG
- Issue of standardization stressed and what should inform it
- “Marching from St. Louis to Boston” scenario to create a value chain in the economy

The various country experiences:

Nigeria –

- Moving to the next phase after being compliant now to “What you Pay, what you publish” phase. Resource curse syndrome or “Poverty in the mist of plenty” is how she described their case, but instituted measures now to address this.
- Enhanced channels of monitoring and addressing the capacity gaps to monitor the sector
- Adoption of EITI enhanced their rating status

Liberia –

- Also a rich country, but growth and development hampered by the war and sanctions by the UN.
- First to receive compliance status in Africa in 2009.
- Main challenge is not having autonomy and independence
- How to sustain gains especially with political administration and the challenge of the CSOs not being too actively involved

## Azerbaijan

- Highlighted the structures, processes and implementation mechanisms to manage the oil wealth
- Achievements so far as well as lesson learned
- Pride themselves in the fact that their implementation reports have gone as far as the UN

## Timor Leste

- Shared experience of nine years in EITI
- Shared significant levels of achievement
- The level of transparency
- The communication channels used which have shown positive results
- Main challenge is not having a legislative framework thus making participation voluntary

## Niger

- Also gave a background of their programme since joining in 2005
- Having champions at very high level
- Major challenge is Indicator 13 which is being worked on
- Again the high illiteracy level being a major constraint as even posters make no sense to communities even when shared with them

## Gabon

- Walked us through the EITI process and challenges with standards set

Highlighted issues with confidence in the system

## Sierra Leone

- Discussed challenges with meeting compliance and measures put in place such as understanding and using the templates, having reliable data and issues with local councils and chiefdoms, etc.
- Striking bit was the fact that their report is available in brail for the visually impaired to use and be informed

## Questions/Answers&amp;Concluding remarks of Chairperson:

- e. TA's should be ready to come along with transparency and accountability in their own systems
- f. Need for enhanced and improved communication between communities and extractive industries to minimize suspicions and mistrust.
- g. Build the capacity of various levels of stakeholders to better understand and appreciate issues.
- h. Empower communities through information sharing and in basic language for easy comprehension



- i. The need to push for an obligated statutory mandate to ensure companies comply so as to churn out timely and reliable data and report. Reference made to the Bank of Ghana Act which mandates them to demand for information. The GHEITI is advised to advocate for this.
- j. Finally, although EITI focuses on the transparency of revenue, other issues must be considered so as to present a picture of the whole.



*Dr. Francisco Paris making a presentation*



*L-R National Coordinator - Ghana, National Coordinator - Niger Administrator of stool Lands, National Coordinator, Gabon National Coordinator - Sierra Leone.*



***Annex 4: Presentation by Dr. Esther Ofei Aboagye***

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**GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY  
INITIATIVE (GHEITI) REGIONAL CONFERENCE HELD ON**

**27<sup>TH</sup> AND 28<sup>TH</sup> SEPTEMBER, 2012**

**ESTABLISHMENT OF MECHANISMS FOR REGIONAL EITI  
CO-OPERATION**

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**Introductory Observations**

- EITI which promotes revenue transparency in the mining sector involves extensive consultation and outreach to stakeholders.
- EITI Plus Plus (++) seeks to provide a framework for identifying obstacles to effective governance along the entire chain of managing EI resources - granting access to resources; monitoring operations; collecting revenues, to improving economic management decisions; spending resources effectively for sustainable growth and poverty reduction.
- Sub-regional and regional organizations are becoming more involved in mining policy and governance issues, including ECOWAS, West African Economic and Monetary Union (WAEMU), MRU, SADC and AU. However, these organizations may not have the adequate capacity or arrangements to undertake revenue transparency and social accountability on an adequate basis.
- Some relevant regional development minerals-related initiatives eg. Maputo Development Corridor and Mozlink SME Project.
- An arrangement/ body to foster stronger accountability/regulatory environment for natural resource disclosure must balance social, environmental and economic interests, and have the capacity to increase public confidence and trust in regulators and their decision-making practices.
- This mechanism must be well coordinated and capable of taking the regional implications of ongoing efforts in the different countries not only in the mining sector but also in infrastructure, environmental management and biodiversity conservation, health, socioeconomic and overall human resource development within the public and private sectors.

## Some Common Critical Issues and Key Priorities

### Environmental

- Deforestation and loss of biodiversity
- Land degradation and need for reclamation

### Social

- Poverty in mining areas
- Natural resources are cross-boundary; therefore the implications for exploitation for the communities who live there
- Smuggling cross-border; in-migration and population pressures; attendant social concerns

### Governance

- Insufficient transparency/consistency of decision making
- Lack of capacity of various actors
- Disenfranchisement of local communities
- Rent-seeking behaviour
- Confusion of roles and responsibilities among various ministries (in-country), improving transparency and consistency of decision making
- Inadequate implementation, monitoring and enforcement of environmental and social policies and regulations
- Insufficient or slow follow-up of identified critical issues and proposed useful solutions and commissioned studies
- Mainstreaming EITI into country systems and uptake of findings/action on EITI assessments

### Political Economy

- Securing political will from different countries and political stability at the highest levels of government
- Historical and economic legacies of the different potential members: histories, economic regimes, issues of security, colonial linkages, incidence of “illegal” mining
- Up-scaling and running with the results of deliberations of technical experts
- Balancing technical expertise, political acumen and social accountability
- Anticipating resistance from key interests benefiting from sub-region wide activities, from country to country
- Different social structures and the interest in mining eg traditional authority structures and stakeholder interest and power over mining activity

## Existing Resources for the quest for Regional Cooperation

- The West African Mineral Sector Strategic Assessment (WAMSSA) for the Mano River Union which followed an analytical and consultative process including policy dialogues and several rounds of stakeholder engagement (methodology);
- African Mineral Governance Program (AMGP) promoted by the World Bank to assist Africa countries in the harmonization of regional and sub-regional mining sector policies Extractive Industry Transparency Initiative Plus, Plus (EITI++)

- ECOWAS Mineral Development Policy (EMDP) which provides for harmonizing member country mineral policies; continuous enhancement of human resources and appropriate technology capabilities; enhancement of effective environmental protection and SEA of mineral activities; and promotion of a mineral sector investment environment conducive to macroeconomic development and balancing investor incentives and protection of resources of member states.

### **Reasons for Cooperation**

- To undertake regional comparisons for purposes of collectively and mutual strengthening EITIs
- To derive “opportunities of economies of scale” in research and development relating to innovations, paying for capacity building, policy development, processing and implications for livelihoods (alternative, backwards and forwards linkages): present a louder voice in international trade and negotiation for greater social accountability
- Harmonize codes, standards, policies to ensure adequate inclusion of accountability mechanisms
- Provide advisory and social accountability support to countries particularly in regulation, attention to standards, local development planning and implementation
- Enable national EITIs to take cognizance of regional standards, development initiatives etc in sustainable development and natural resource standards
- Strengthen the capacities of national institutions for administration
- Take on board continued and growing interest in investing in the mineral sector by large-scale international firms, [smaller foreign actors] and nationals in pseudo-legal and illegal activities
- Optimize mining as a key resource for catalysing economic and social development including stimulating infrastructural development (roads, rail) across the sub-region
- Increase the shared benefits and opportunities in environmental management and climate change
- The regional EITI cooperation to serve as a mandate for action as well as a conduit between policy and decision makers and grassroots communities.

### **Challenges**

- Overcoming historical, cultural, colonial, language and social heritages of the different potential partners
- Addressing and accommodating differential governmental arrangements and responsibilities in mining revenues
- Taking stock of lessons learned in EITI national experiences for the regional collaboration
- Expanding exploitation of natural resources and similarity of challenges but relatively slow progress in institutionalizing regional cooperation
- The emergence of new security and safety agenda including human security, “rebels”, “terrorists”
- Climate change
- Fluctuating prices of natural resource

- The different political and economic circumstances of countries in the sub-region providing scope for exploitation
- Determining the structure that will allow for productive collaboration from a broad array of constituents from government, industry, CSOs, DPs on the basis of their shared interests in maximizing regional, national and community benefits from mining activities
- The challenge of trans-border management of biodiversity and eco-system issues and management of the environmental and social impacts of mining and infrastructure
- location of mining projects near national borders inevitably creates trans-border environmental and social impacts including influxes of population
- ensuring good natural resource governance in the mining sector in line with regional aspirations and collective political commitments.
- The capacity of individual national EITIs to respond to the challenges and changes facing the region
- The capacity for harmonizing the roles, interests and agendas of other/various interest groups with implications for natural resource management
- Determining the leadership and coordination structures: is it going to be a permanent secretariat with a general secretary and staff? Is it going to be a rotating coordination hub?

#### **What?**

- Establishing transparent processes for selection of members/representatives for the Regional EITI facility
- Identifying, funding and organizing early trust-building, team orientation and conflict resolution activities amongst players

#### **Lessons Learned**

- Adequate legal and institutional framework governing cooperation; clarity on the nature of cooperation, and obligations of various parties including who will do what, contribute what
- sufficient capacity for analysis of situations and distillation of lessons
- Political stability and buy-in from potential members and stakeholders in the member countries of the grouping
- Strong and working investment climate and regulatory environments facilitate inter-country collaboration (participating countries are willing and able to show what they have achieved; incentive to grow)
- Strong CSO involvement with the capacity to engage, demand and respond to overtures in accountability
- Separate, national EITI efforts suggest that a lot achieved from the EITI initiative but more timely, comprehensive and regular reporting is required.
- Implementation of information-generation and analysis must be simplified in order to derive the lessons and learn from them more effectively and efficiently
- Persisting challenges in producing quality, timely, reliable reports should not be underestimated

- Strengthening stakeholder engagement in the process is an ongoing effort: sustaining government and DPs' interest; as the actors change, they must see this work as priority; and CSOs' overcoming their divisions and working together
- Some earlier consultation workshops indicate that sustaining the EITI would require long term funding and increased coordination between national stakeholders and international partners.

### Possible Objectives for Cooperation

- To integrate social and environmental considerations into mineral sector development
- Enhance wider environmental and social benefits of mining for regional economic and infrastructural development
- Promote and ensure effective participation of regional institutions, national governments, the mining industry, development partners including international finance institutions, NGOs and CSOs and mining communities in our common regional aspirations (particularly cross-border settlements)
- Encourage regular, regionally-oriented dialogue on mining and sustainable development and the related implications for livelihoods, backwards and forward linkages
- Promote and strengthen regional coordination of environmental and social frameworks, institutional and human resource development to support national initiatives
- Share lessons relating to innovations in spatial development; good practices that can be applied
- To establish a peer-review process and enhance “internal” self-monitoring on mineral governance; to undertake “Validation” services (perhaps before the five years and even before the international request) as an essential element
- **Wanted: A regional multi-stakeholder institutional framework to address extractive industry transparency: a facility to allow for effective coordination, inclusiveness, inter-sectoral collaboration, internationally.**
- Identify the greatest need that regional cooperation will serve: why do we need it? What would be the purpose? (this will go some way in determining the structure, location, required resources, implementation strategy for its establishment including phasing etc).
  - i. Information sharing, analysis and lessons learned
  - ii. Deriving lessons for livelihoods security, better management of mining resources
  - iii. Improved mineral and natural resource governance, with mainstreamed social accountability
  - iv. Monitoring and tracking impacts on livelihoods, climate change
  - v. Advocacy, influencing and effective, collective negotiation: strengthening the hand of national governments in negotiation with investors, development partners
  - vi. Capacity-building and skills-building



- **Who should be involved?** Africa Region? Sub-Regional areas of focus e.g. West, Southern, East, Northern Africa bodies?
- Identify potential stakeholders e.g. national governments, CSOs, development partners, mining institutions/chambers of mines, local authorities)
- Extracted resources: particular sectors of activity? Or all (mining, agriculture, forest resources?)
- **Establish the mandate of this body:** How binding will commitments to its recommendations, action plans, “conventions”, directives be? How obligated will members be to report? What will be the sanctions?
- What will the implications of membership for members’ other commitments under bilateral, regional and multilateral or other international agreements be? *(For instance, we must take account of West-Africa wide obligations and standards regional or bilateral agreements as well any ECOWAS Initiative outlining areas of cooperation, many of which are related to or have implications for natural resources management).*
- **Hold national level and participating-sector reflections on the initiative and proposed format for cooperation**
- Identify form of collaboration desired by potential partners: (a) a loose structure for information-sharing, analysis and learning lessons; or (b) a firmer secretariat for carrying out the decisions of the regional body;
- **Agree on “location”:** Should it be a new body altogether? Or can reside in an existing entity like ECOWAS or AU? Should it have a secretariat – permanent or rotating? A desk in international EITI?
  - i. What institutions exist? What is their track record on coordinating regional and sub-regional issues in minerals, extractive industry and natural resource governance
  - ii. What is their capacity for inclusive involvement of national governments, civil society engagement and representation, mining industry and private sector actors
- Encourage regional-level/inter-country reflections amongst sectoral stakeholders (between governments, CSOs, DPs, various national chambers of commerce) on the possibilities for a multi-stakeholder framework
- Based on these consultations, compile comprehensive joint study on how to craft and utilize the regional cooperation mechanism as a platform; how to develop the modality; how to maximize the economic, social, political and institutional benefits ; the scope and coverage and time frame
- Assess preparedness and requirements for establishing the most feasible framework – institutional, capacity, logistical, social, political etc
- Assess state of membership participation in EITI – extent of compliance, suspension etc of potential membership (countries)
- Design the governance structure reflecting its regional and multi-stakeholder nature consisting of civil society, governmental, mining industry/private sector, DPs (possibly, representation of EITIs of participating countries where they exist?)

**Processes**

- Based on the agreed priorities for the Regional Mechanism, activities of the cooperation could include
  - i. Routine meeting platforms for various categories of stakeholders
  - ii. Routine data-collection, analysis and dissemination mechanisms using agreed formats and instruments including electronic facilities
  - iii. Capacity building events for different actors
  - iv. Conduct of regional analysis of trends and distillation of patterns
- Identify priority activities that can be undertaken collectively over the short-term, medium-term and long-term e.g.: improving social accountability in natural resource governance, strengthening environmental governance and increasing local-level, national and regional benefits in livelihoods development
- Identify mechanisms for agenda-setting, communication and dialogue, sectorally, nationally and provide inputs into the regional structure and provide feedback to their different constituencies

Provide capacity building and institutional strengthening to all stakeholder groups **intended to play their roles in the cooperation effort**

- Conduct institutional capacity and skills assessment for key parties involved in EITI; undertake needs assessment and capacity building for CSOs
- Develop training programs to address identified needs as required:
  - i. Programmes to strengthen national technical capacity including participatory environmental evaluation and monitoring, participatory decision making, conflict resolution
  - ii. Build capacity of national revenue transparency organizations (Publish What You Pay [PWYP]) from a regional collaboration perspective.
  - iii. Organize international training programmes on EITI Rules relating to reporting requirements, auditing of EITI data and sharing of experiences and good practices, strategizing for the way forward on a regional basis
- Develop formats for sharing, comparing and learning lessons from timely information on the transactions (contracts, tax payments, earnings) of participating nations' government-industry
- **Make a case for key actors to support funds and logistics to support a regional cooperation mechanism:** National governments engaged in EITI improve their international credibility and demonstrate commitment to transparency; private sector signify commitment to good governance and an improved investment climate; DPs are will be seen as fostering their broader agenda of assisting country-owned processes for greater transparency and better governance.
- *(In 2010, the World Bank provided funding for establishment of national EITI Secretariats; implementation of country work-plans; conduct of audits and validations; capacity building and technical support for countries to go on to the compliant stage).*

### Culture of the Cooperation

- Leadership commitment of governments, CSOs, DPs, mining bodies
- Investment in the cooperation mechanism by members and beneficiary agencies (contributions to be agreed upon)
- Integrating rights-based approaches and pro-poor development orientation
- Emphasis on learning
- Perspective of increased dialogue to develop sound policies and practices to protect the public beyond country environments
- Cooperation as an instrument to exchange frank views on various issues of trilateral, multilateral and regional issues of mutual concern
- Cooperation to facilitate standards-setting and quality of assessment while maintaining a degree of flexibility to accommodate differences of members

### A RAPID APPROACH

- The process can begin from non-binding cooperation mechanisms that help in natural resource extraction services. Some sub-regional level co-operation mechanisms already exist; their structures could be a starting point; if we were to take “baby-steps” of the West African sub-region.
- The scope of collaboration could focus on (a) information sharing including networking on research, sharing of policies and standards and on-line information exchange, , a joint database ; (c) capacity building, electronic forums and webinars; (c) policy influencing, strategy development and advocacy (d) facilitation of expert groups to promote analysis and informed input to support members
- A flexible set of first steps include:
- A series of senior level **policy seminars to promote common understanding for cooperation**; and to take the next three steps
- a review of **existing areas of co-operation** between regulators in specific sectors to assess the need and appropriate means for improved co-operation;
- a review of **stakeholders’ interests and concerns** for cooperation
- the development of a proposed **framework for co-operation**
- **co-operative research** to generate more information at less cost; gather the best data; address common challenges in a consistent and performance-oriented manner;
- development of regional transparency and disclosure mechanisms for partner countries;
- Design of a regional information, research and development facility or database to pool together national research and development resources

#### 1. The objectives of the Framework could include:

- To support existing, and encourage new, co-operation between various institutional participants

- To offer high level political support (and other support as appropriate) to the process of co-operation between policy makers, technical experts and CSOs of the member countries;
- To achieve a better understanding of assessment processes, adaptations and experiences for enhancing the efficacy of assessments in the region/sub-region, identifying alternative instruments, recognizing the associated impacts of assessments and to deepen understanding of the manner in which compliance is achieved.
- To advance international co-operation at the regional level between CSOs and policy makers in order improve the planning and development of EITI assessments and minimize administrative costs
- To enhance the climate for innovation in enhancing transparency and accountability as well as uptake of recommendations.

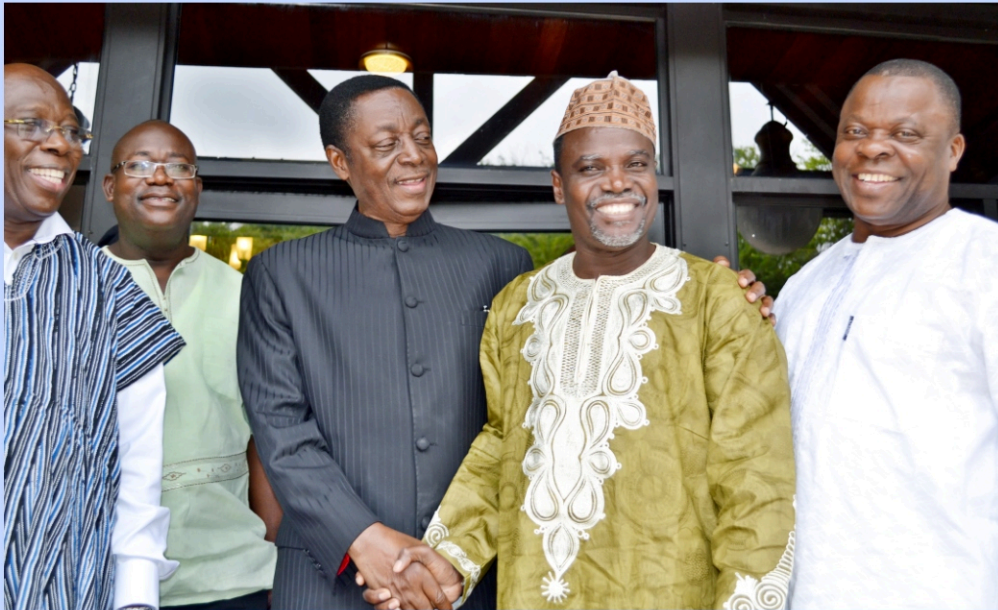
### **Procedural Aspects of the [Limited] Framework**

- Partners should engage in ongoing dialogue to meet the objectives of the Framework.
- A joint Cooperation Committee with participants from the various EITIs in partner country to coordinate activities of the mechanism
- A website should be established for coordination, facilitation purposes
- Exchange or dialogues can take place through websites, teleconferences, joint seminars or workshops, and specific meetings including those held on the margins of the ECOWAS or AU Summits
- The different parties (National governments, CSOs, mining industry/investors) can work jointly at the sectoral level within the ambit of the cooperation mechanism to identify specific sectors or proposals for co-operation and areas in which co-operation could be further expanded.
- The functioning of this Framework, and progress on identified sector/interest group projects, should be followed-up on an ongoing basis at least annually by the Co-operation Committee indicated above.
- The Cooperation Committee should
  - i. follow the overall progress of the Framework, discuss horizontal issues, plan seminars, identify areas for improvement, disseminate best practices, and facilitate implementation of the framework
  - ii. conduct post implementation reviews of assessments comparing methods and assumptions
  - iii. Where applicable, make summaries of the results of post-implementation reviews available to regulators of the other side.
- The participating entities can also establish working groups to address issues of common concern.
- Projects identified by different participating groups (government, CSOs, private sector) under the Framework must be indicated in a widely shared implementation plan.



- A regional fund to support the work of the mechanism hosted by ECOWAS/AU or an existing regional financial entity (such as the AfDB)
- The fund can be resourced through non-conditional contributions from national governments' contributions, mining entities and DPs with a commitment to regular auditing and transparent application
- The results of the initial work of the mechanism would also be inputs for a regional strategy for cooperation.

THANK YOU !!



*Hon. Minister of Finance and Economic Planning Dr. Kwabena Duffour in Handshake with Hon. Moses Asaga, MP.*



*Group Photograph of cross section of conference participants.*





*Conference chairman Prof. Naa John Nabila making his remarks*



*Cross section of Participants at the Conference*





*Mr. Bart Missinne of the EU addressing the conference.*



*Cross section of conference participants.*

**COMMENTS BY NAA PROF. JOHN S. NABILA, WULUGUNABA AND  
PRESIDENT OF THE NATIONAL HOUSE OF CHIEFS AS CHAIRMAN, AT  
THE GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE  
(GHEITI) CONFERENCE**

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**H.E Kwesi Amissah Arthur, Vice President of the republic of Ghana,**

**Hon. Council of State Members Present,**

**Hon. Dr. Kwabena Duffuor-Minister of Finance's Representative,**

**Hon. Deputy Minister for Lands and Natural Resources and other**

**Hon. Ministers present,**

**Hon. Members of Parliament present,**

**Nananom, Neima, Torgbuiwo, Nanima and Nanama,**

**Mr. Enoch H. Cobbinah, Chief Director, MOFEP and Chair of GHEITI,**

**Chair of the Tanzanian EITI**

**Dr. Maria Telkueve –Head of Cooperation GIZ**

**Dr. Steven Manteaw, Representative of Civil Society Organisations  
(CSO)**

**Dr. Francisco Paris, Representative of EITI International**

**The Press,**

**Distinguished Ladies and Gentlemen with special reference to our  
International Guests**

The **Extractive Industries Transparency Initiative (EITI)**, announced by Tony Blair, the then -Prime Minister of the United Kingdom, at the World Summit on Sustainable Development in Johannesburg, South Africa, in September 2002 was necessitated by the opacity surrounding international companies' dealings with governments of resource rich countries and for which reason these countries have not been able to maximize benefits from their natural resource endowments to reduce poverty levels in these countries.

The purpose of the initiative is therefore to ensure increased transparency over payments by companies in oil and gas; and mining industries to governments as well as transparency over revenues of host country governments.

On account of its potential benefits, the initiative received global response from Europe, United States of America, Asia, Latin America and Africa. The Principles,



standards, procedures and processes of EITI were sooner adopted and piloted by Ghana, Nigeria and Azerbaijan and by June 2011, EITI was implemented in 35 resource rich countries around the globe with twenty nine (29) countries having produced EITI reconciliation reports and six (6) countries in Africa, namely, Ghana, Central African Republic, Liberia, Mali, Mauritania, Niger and Nigeria having attained EITI compliance status.

These achievements by both EITI compliant and implementing countries with its related benefits were obviously not without challenges.

Ghana had its own share of challenges despite the useful policy recommendations made in the GHEITI reports to Government and other key stakeholders resulting in a number of reform measures. These challenges, in Ghana's situation, included:

- Limited citizen participation in the decision on whether to mine or not to mine
- Limited scope of the EITI in addressing the challenges along the value chain
- Weak institutions to implement recommendations and to sustain adherence to the principles and standards
- Irreversible nature of contract signed by resource rich countries

As EITI is preparing to begin the second decade of its existence in 2013, it is just appropriate to undertake an assessment of processes and procedures adopted over the past decade; share country experiences; and understand how implementation challenges can be overcome to enable both compliant and candidate countries to sustain and maximize benefits from the EITI initiative.

Your Excellency the vice President, Distinguished Ladies and Gentlemen.

This Conference is on the theme "**Natural Resource Governance, Setting Standards with EITI**", could not have come at any better time. Resource rich countries in Africa need to practice and internalize the initiative to ensure that the extraction of their natural resource endowments brings lasting benefits to their citizens.

Being the first regional gathering on EITI implementation, the Conference offers a great opportunity for countries which have signed onto the initiative to reflect on the procedures and processes and identify the gaps in these procedures and processes to inform changes in policy to engender optimal benefits for EITI implementing countries. The sharing of best practices among candidate and compliant countries to strengthen EITI implementation in Africa and to make it



*Daasebra Osei Bonsu II in warm handshake with Prof. Naa Nabila, President of National House of Chiefs*



*Cross section of Nananom at the Conference*



attractive for other natural resource rich African countries to join the crusade, should not be a missed opportunity.

I also wish to take this opportunity to thank this august gathering for accepting me to be the chairman for this all important event in the history of our dear country Ghana and to request your unflinching support to make this GHEITI conceived regional conference a memorable and historical event.

Thank You.



*Cross Section of Conference Participants*

**WELCOME ADDRESS BY MR. ENOCH H. COBBINAH,  
CHAIRMAN, GHANA EITI**

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**Mr. Chairman; President of the National House of Chiefs**

**H.E Vice President of the Republic, Kwesi Amissah-Arthur**

**Nananom,**

**Members of the Diplomatic Corps;**

**Honourable Ministers of State and Parliamentarians;**

**Representative of the EITI International Secretariat;**

**Representatives from EITI implementing countries;**

**Ladies and Gentlemen.**

It is indeed a great pleasure for me to welcome you all, members of our great continent of Africa and members of the international community as we gather here for this first ever Regional EITI Conference. By any account, this is a significant gathering. It is significant not simply because of the caliber of individuals represented here but because of the subject matter “**Natural Resource Governance: Setting Standards with the EITI**”.

The progress of Ghana EITI over the past years has been impressive, and today's event is another milestone of that work. It is also pleasing to witness not only the participation of local EITI stakeholders, but that of delegates from other EITI implementing countries to this Conference. These delegates make today's event truly regional if not global.

The Conference is expected to provide us with the opportunity to share our rich experiences of EITI implementation and develop a framework for regional EITI cooperation. We therefore see this conference not only as an opportunity for further exchanges of experiences and lessons learnt, but also a step towards the harmonization of approaches to extractive industries management at the regional level. Ghana is a known champion of regional integration and we see some alignment here which could be stimulated further for the benefit of the whole region. Ghana is also an important mining country in Africa and the management of the mining sector in this country is looked upon as an example of other

African countries. For this reason a successful implementation of EITI in Ghana will have implications and resonance beyond this country.

**Distinguished Ladies and Gentlemen,** it is the view of the Ghana EITI that the transformation of extractive industries into a source of development for each of the countries in our region will require broader regional alignment of a number of related economic governance issues. These include the convergence of policy, fiscal and regulatory frameworks, the facilitation of trade and commerce, and the optimization of positive externalities and synergies. Ghana is ready to provide the leadership and will also be a benefactor of a regional convergence of policies and practices.

**Mr. Chairman,** the fact that 35 countries across the globe are already implementing the initiative, about half of which are in Africa, goes to show what impact the initiative is capable of making and can make on our economies if properly followed through. It is in our overall interest that we in the African Region, take the advantage offered by the platform of the EITI to ensure that we get what is due to us, in a clear, honest and transparent manner.

Ghana as you all know is endowed with huge natural resources. The mining industry which has been one of the backbones of the nation's economy for centuries has been joined by a new extractive sector- the oil and gas sector and both sectors are now contributing not less than 3% to the country's GDP.

Ghana started EITI implementation in the mining sector and with the discovery of oil and gas, extended it to that sector in 2010. A transparent oil and gas sector would encourage investment in the sector; and generate increased revenues for government to execute its development programme.

**Distinguished Ladies and Gentlemen,** all over the world, in rich and poor countries alike, there is a growing recognition that the path out of poverty has to rest on a solid foundation of good governance. Without transparent and accountable governance based on checks and balances; participatory processes; and rule of law; reforms aimed at improving people's lives would not work.

But making EITI succeed in the broadest sense means going beyond just implementing EITI. Making revenues transparent is a critical first step, but converting resources into real results that matter in the lives of the poor requires more.



**Mr. Chairman, Distinguished Ladies and Gentlemen;** Ghana embraced EITI in 2003 to support other programmes and policies in managing our extractive sector. To make the process meaningful within the Ghanaian context we included some innovation to the process. The critical component of the EITI process, which is EITI reconciliation/aggregation, in Ghana transcends beyond reconciliation of receipts and payments. We have used that avenue to access many other important aspects of our industry including, collecting data on CSR projects (Corporate Social Responsibility), management of disbursements and utilizations of royalties, compliance or otherwise to existing legal and policy frameworks and many others.

The EITI Process in Ghana has provided an independent basis of generating data for various policy reforms. It also provides an avenue for Government and the private sector to constantly dialogue on areas of common interest with our very able Civil Society Representatives always present as referees.

The significance of the EITI tripartite arrangement has become more relevant in our rapidly changing times where dialoguing to find solutions to our challenges has become the order of the day. The established arrangements also make it easier to integrate other equally good programmes as and when they take off.

Presently some countries are enacting various responses from both the demand and supply sides to improve information disclosure within the extractive sector. The subject of natural resource management has managed to produce a global community of stakeholders who cut-across several nations with a common interest. The EITI will complements the efforts by such bodies including the ECOWAS Directive on the Harmonization of Guiding Principles and Policies in the Mining Sector, Dodd Frank ( US Securities and Exchange Commission guidelines on extractive industries disclosures) of the USA and the European Directives for EU member states help address the challenges of the extractive sector management.

As Chairperson of GHEITI, I have seen it grow from strength to strength and transform itself for being just another Initiative to becoming a strong tool that complements Governments efforts at ensuring prudent and sustainable management of our natural resources.

Distinguished Ladies and Gentlemen I believe that this initiative is serving as the catalyst that will help stakeholders collectively put in place reforms that work not only for Government but also for the private sector. GHEITI through its independent reports has set the pace for government's decision to carry out

massive reforms in the extractive industry, hence ensuring that the tenets of transparency and accountability in the industry are protected and upheld.

EITI we all know was originally designed with respect to payments and receipts only; this focus appears to be too narrow in ensuring that the management of natural resources is dealt with comprehensively. Whilst Ghana expanded its scope of EITI implementation by extending it to the sub-national level on revenue distribution and expenditures, it is equally important to track how the resource wealth is generated by the extractive companies by understanding how much it costs to produce an ounce of gold or produce a barrel of crude oil so as to appreciate whether in real terms the declared revenue from the extractives do actually match with the profit the companies make. Until mechanisms are put in place to cross-validate data submitted by the extractive companies one would have a course to be perspective. Therefore establishing bench marking cost for extractive sector operations is paramount.

I have been reliably informed that the EITI International is now in the process of developing a new vision and scope of the EITI. I therefore wish to charge all of you here present to delve into the concept and approaches to the EITI to come out with a new vision for the EITI and expand the horizon of transparency as a tool for complete resource management for the betterment of mankind.

**Mr. Chairman,** I am delighted that the theme for the various sessions of the conference will enlighten and deepen our knowledge of the challenges, perspectives and best practices of the EITI implementation. These taken together, will further sustain the momentum of EITI-implementing in countries and bring non – implementing countries into the fold as they are informed of the technical details of what is required of them as well as what they stand to gain from joining the platform.

As we parley during this conference, let us remember that revenue transparency, the core remit of EITI can only be achieved with the cooperation of companies, host governments, home governments, and civil society. A vital approach to successful EITI lies in strengthening the accountability of decision makers – of host governments and companies to citizens; and of companies to investors. In all these, the role of civil society is critical; it needs to closely monitor the process and participate constructively, with governments and companies in eradicating poverty and accomplishing sustainable development.

While in Accra, I urge you all to take time off during your busy days here to visit interesting places dotted around the city.

**OPENING REMARKS**  
**BYHON. DR. KWABENA DUFFUOR**  
**MINISTER OF FINANCE AND ECONOMIC PLANNING**

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**Mr. Chairman;**

**H.E Vice President of the Republic of Ghana**

**Nananom;**

**Members of the Diplomatic Corps;**

**President of the National House of Chiefs;**

**Honourable Ministers of State;**

**Distinguished Guests from the EITI International Secretariat;**

**Representatives from EITI implementing countries;**

**Ladies and Gentlemen.**

It is a great pleasure for me to address this **Regional Conference on the Extractive Industries Transparency Initiative** organized by the Ghana EITI. Let me first commend the Ghana EITI, the World Bank, GIZ and other partners for initiating and supporting this conference.

Given the strategic importance of natural resources especially minerals and oil and gas in the economies of the Africa region, and given the urgent need for a more transparent and prudent management of revenues from these strategic sectors, this is a very relevant and timely forum.

**Mr. Chairman**, the EITI is propelled by the faith that extractive resources can indeed promote growth; enhance poverty reduction and drive sustainable development. Today, 35 resource-rich countries across the globe have heeded the call that transparent and accountable management of extractive resources can make the difference.

Ten years after the birth of EITI in South Africa, we are beginning to see that it is not an empty call: it can work, and it does work. Early fruits are beginning to



I wish you a successful conference and a pleasant stay in Accra.



*Chairman of Ghana EITI Mr. Enoch Cobbinah in warm handshake with Prof. Bruce-Baneong Yakubo  
Chief Director, Ministry of Land and Natural Resources*



*Dr. Maria Tekuelve Head of Coordination, GIZ in Tete-a-tete with chairman of Ghana EITI  
Mr. Enoch Cobbinah*

manifest; civil society, companies and government are collaborating for win-win solutions to resource governance. Citizens and civil society groups are asking critical questions, becoming more constructively engaged, and in the process, strengthening the levers of democracy and development.

Increased transparency and accountability are the fundamental cornerstone of the EITI. Advocates of transparency believe that governments who disclose their incomes from oil, gas and minerals are much more likely to spend those resources wisely. This means that more children can get the education they deserve; more mothers can receive the healthcare they need; more young people can find jobs to be able to escape poverty.

Furthermore, EITI advocates also believe that effective implementation of the initiative will ensure that less money will be lost to corruption, because people can access the information needed to hold their governments and companies to account. They are right. Information is the cornerstone of a well-functioning system of governance.

Our experience in Ghana provides ample and concrete illustration of the usefulness of EITI. As you all know Ghana has been mining for over hundred years. Over the past decades, the mining sector contributed 12.7% of Government revenue, 3.2% of corporate tax and 40% of total merchandise export revenues. In 2010, the sector contributed 7% of Ghana's total corporate tax earnings, 49% of total export revenues, 23.7% of Government revenues and 6% of GDP.

Large-scale mining and the Mine Support Services sub-sector employs about 27,000 people. An estimated 500,000 people are engaged in the small-scale gold, diamonds, sand winning, quarry and salt industries. Total Foreign Direct Investments (FDI) into the minerals and mining sector, from 1984 to 2011 amounted to some US\$11.2 billion. Currently, we are an oil producing economy which we hope in addition to the mining sector will provide the much needed finance for economic transformation.

It was therefore not surprising **Mr. Chairman**, that Ghana was one of the first countries to sign on to and implement the EITI in 2003. For us, it was the natural thing to do because it was in tandem with our reform and developmental agenda.



**Distinguished Ladies and Gentlemen,** it may interest you to know that even before Ghana signed up to the EITI in 2003; it had already embarked upon a number of Public Financial Management Reforms to promote good governance. The reforms include among others the enactment of the Public Procurement Act, Financial Administration Act, Internal Audit Act, public expenditure management and tax administration reforms. The reforms were designed to reduce corruption, promote openness, transparency and accountability.

I am therefore proud to state that the full range of transparency initiatives so far implemented by government has deepened its capacity to make sound fiscal and overall macroeconomic policies toward economic growth and development. It is in this regard that we consider the EITI as supplementary to our existing reforms of fiscal transparency.

**Mr. Chairman,** Ghana has attained the status of EITI compliance and therefore one of the leading EITI implementing countries in the world. We have taken seriously the recommendations of the EITI reports and indeed have implemented them. The recommendations have informed a wide-range of policy reforms in the mining sector. Particularly, they have led to the review of mineral royalty payments from a range of 3 - 6 percent to a fixed rate of 5 percent; an ongoing upward review of ground rent; increase in the corporate tax rate from 25 percent to 35 percent; the introduction of a windfall profit tax of 10 percent to be collected from all mining companies; the replacement of the previous 100 percent capital cost recovery with a uniform capital allowance regime of 20 percent for five years, all with a view of ensuring equitable returns from the sector to our people, the resource owners.

We are also working assiduously to ensure that the enhanced revenues are prudently managed and utilized for the benefit of our people, especially those immediately and negatively impacted by the activities of extractive sector companies. We have for instance developed guidelines for the utilization of mineral royalties at the sub-national level. This, **Mr. Chairman,** is to avert the potential misuse of the districts' share of royalties, and to ensure that projects financed by royalty transfer from central government to mining districts are those that are consistent with the development priorities established by the people in these communities. We have also developed guidelines for the implementation of corporate social responsibility programmes. The purpose is to align these programmes with the development aspirations of beneficiary

communities thereby making them meaningful within the local development context.

We are happy however, that, the lessons the EITI presents us today have become a useful guide to how best to manage our recently discovered hydrocarbon resources. We have decided to put away 30% of our total petroleum revenue receipts for investments and for future generations.

In the spirit of the principles and criteria of EITI we have provided for public disclosures of petroleum production figures and revenues in the Petroleum Revenue Management Act 815. The law establishes the Public Interest and Accountability Committee (PIAC), an additional public oversight body whose membership is drawn from the civil society fraternity in Ghana and whose mandate is to ensure strict compliance to the provisions of the Petroleum Revenue Management Act. By this singular act, we have demonstrated to the whole world our determination to escape the resource curse syndrome that bedevils many an oil producing country. Our extension of the EITI to the oil and gas sector is indeed an icing on the cake for Ghanaians and a further demonstration of our resolve to succeed where others have failed.

**Distinguished Ladies and Gentlemen,** we have been challenged by our citizens to do for mining what we have done for oil and gas sector. Demands for a Minerals Revenue Management Act which will ensure a more efficient management and use of revenues from the mining industry have come to the attention of government and receiving serious consideration. It is important within this context to state that we have made great progress towards the proper establishment of the Minerals Development Fund (MDF). A draft bill is presently being finalized for Cabinet's consideration. When approved by Cabinet and subsequently passed by Parliament, the MDF law will contribute to effective management of part of the revenues generated by the mining sector which went back to mine fringe communities. In addition it would provide resources to the host communities under the Mining Community Development Scheme to help reduce the negative impacts of mining on such communities.

**Distinguished ladies and gentlemen,** there are definitive challenges which EITI must face up to in our various countries. It must be stressed that desirable as it is, the EITI is not a magic bullet. Mere implementation of EITI will not provide the omnibus solution to all the developmental problems of our society. While the focus of the EITI on transparency in the reporting of resource revenues was the right place to start, it does not address the

savings and investment decisions of natural resources management. By the same token, EITI cannot be the stand-alone item on the agenda for development. There is therefore the critical need to strengthen the link between transparency, accountability and overall development. Meaningfully, addressing these challenges will require innovative strategies that speak to our peculiar situations. This fact underscores the significance of this conference.

**Mr. Chairman,** let me also add that the increased competition for the natural resources on the continent is in some cases generating resource deals between investors and national governments. This develop undermines transparency and accountability of how resource concessions are allocated and how the benefits of major investments are distributed between investors, national governments and local communities. I therefore call on all extractive companies to follow best practice in contracting, operations and payments. We also request their home governments and international capital centers as well to demand and enforce best practices from these investors who depend on international capital for such extractions.

Let me conclude by saying that as resource rich countries, especially as Africans, we are well aware of our history of resource plunder. Courageous politicians, responsible central banks, and new international standards must try to ensure that this time it is different.

Thank you all for your kind attention!

**KEYNOTE ADDRESS**  
**BY**  
**H.E. KWESI AMISSAH-ARTHUR**  
**VICE PRESIDENT OF THE REPUBLIC OF GHANA**

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**Mr. Chairman;**

**Nananom,**

**Excellences;**

**Members of the Diplomatic Corps;**

**President of the national House of Chiefs;**

**Honourable Ministers of State;**

**Distinguished Guests from the EITI International Secretariat;**

**Representatives from EITI implementing countries;**

**Ladies and Gentlemen.**

It is a great honour and privilege for me to address this **Regional Conference on the Extractive Industries Transparency Initiative (EITI)** today, and to be associated with Ghana's commitment to the EITI.

**Mr. Chairman**, ten years ago, in the city of Johannesburg, South Africa, the world's community of nations gathered, under the auspices of the World Summit on Sustainable Development, to deliberate on the development challenges confronting the world. Given that the event was in Africa, noted for its abundant natural resources amidst extreme poverty, a great deal of the discussions focused on the role of the extractive sector in economic development and poverty reduction in Africa and other resource dependent countries world over.

The prescription from Johannesburg, to the paradox of plenty that has bedeviled many resource dependent developing countries for decades was found in a new global inventiveness – the Extractive Industries Transparency Initiative (EITI).

The EITI to my mind is therefore about good and accountable governance. For resource abundance to translate into good overall economic performance and higher standards of living for the population at large, the evidence suggest that

good governance is important, perhaps more important than in resource scarce economies.

**Mr. Chairman, Distinguished Ladies and Gentlemen**, recognizing the need for good governance, many of the resource-rich countries present here today have made considerable progress in the quality of their institutions over the past decades. According to World Bank sources, over half of the resource-rich countries in Sub-Saharan Africa have improved their World Bank Worldwide Governance Indicator ratings on rule of law and corruption and about 40 percent have improved the rating on government effectiveness. Moreover, many of our countries have made improvements in all three institutional ratings. But this is clearly insufficient. Serious challenges confront us as resource exporters; especially since the level of institutional quality among our countries remains below the level of industrialized countries. That is to say many of our countries continue to score very low marks on many of the Millennium Development Goals (MDG) indicators, especially on some health and education indicators (e.g., measles immunization and primary school enrollment etc.).

Most of our countries also continue to suffer from weak level of technical capacity. Indeed, it is difficult to implement policy changes to better manage natural resources if we have very weak level of technical capacity. With limited technical capacity and resources, it would not be easy to set up appropriate resource taxation regimes, public financial management systems, and long-term saving instruments such as sovereign wealth funds.

**Distinguished Ladies and Gentlemen**, in our bid strengthen our institutional capacities and deepen transparency and accountability, we have embraced EITI to compliment many other laudable Government policies and programs. I know some of you have had to travel long hours to be here today. Having taken time off your busy schedules, let us critically examine the issues to find solutions that are culturally, politically and economically suitable to our respective economies.

Many countries have, since the inception of the initiative in 2002, signed on to it, motivated by reasons that are sometimes not necessarily aligned with the objectives of the initiative. For us in Ghana, EITI is not a fanciful exercise designed to enhance our international public image. It is for us, a deeply thought through exercise meant to enhance the development outcomes of natural resource exploitation in this country. To this end, we have, and continue to



explore ways of making the exercise respond to the development aspirations of our people.

**Mr. Chairman,** I am happy to inform you that the Ghana EITI process has been instrumental in some of the major institutional and policy reforms taking place currently in the mining sector. Prominent among these are;

Changes in the fiscal regime under which the mining industries operate,  
and

Changes in how royalties are administered and very soon utilized,

I am also pleased to announce that lessons learnt from our several decades of mining metals and the Ghana EITI process served as a useful guide to developing the legal and fiscal frameworks for our recently discovered hydrocarbon resources.

**Mr. Chairman, Nananom, Distinguished Ladies and Gentlemen** EITI is a very useful tool that has generated immense benefits to countries like Ghana; however, nations must use this excise to resolve the fundamental systemic weakness in our economies. We need to find long term solutions to the problem of our weak institutional capacities and government ineffectiveness. In line with the above, Ghana has already taken measures to strengthen our Public Financial Management systems. We are reforming the national budgeting processes, implementing fiscal decentralization regime, and sanitizing our payroll systems among many others. In effect we are mainstreaming EITI into the public sector and economic management.

In our quest to ensure sustainability of the initiative we are taking steps to back it with legislation. We are committed to go the full hulk in our pursuit of good democratic governance because good governance is about ensuring the most prudent use of resources that commonly belong to the people. It is also about eliminating waste, corruption, and inefficiencies that thwart our genuine efforts to progress as a people. It is from this perspective that we affirm our commitment to not only provide information and to account to our people but more importantly, provide opportunities for their democratic participation in the decision-making processes of our country.

**Mr. Chairman,** I will like to commend the Multi-stakeholder Steering Committee for their hard work, dedication and sense of purpose. I wish to specially mention

our civil society stakeholders, particularly those groups and individuals organized under the banner of Publish What You Pay (PWYP) Ghana and the Civil Society Platform on Oil and Gas for their unwavering commitment to see Ghana make the best out of its God-given natural resources.

I also wish to commend those mining conglomerates and international oil and gas companies who through their own volition have supported our quest for transparency and accountability in the mineral and now oil and gas sectors. They have by their support to GHEITI processes shown that they are exemplary corporate citizens committed to help this country overcome its development challenges.

Since all of us have accepted to be part of the EITI process, we should all make it a collaborative effort to ensure that total transparency in the industry exists from the day a mining right is granted to the last day that environmental restoration is completed. I am optimistic that when we call on the forest sector stakeholders they will accord to us the same cooperation their colleague in the mining and oil/Gas Industry have.

Thank you all for your kind attention!

God Bless Our Homeland Ghana.

## REMARKS BY, DR. MARIA TEKULVE, HEAD OF COOPERATION, GERMAN EMBASSY AT THE GHEITI REGIONAL CONFERENCE

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**Hon. Mr. Chairman,  
Hon. Ministers and Deputy Ministers present here,  
Chair of EITI International Secretariat,  
World Bank Country Director,  
Hon. Members of Parliament,  
Members of the Diplomatic Corps,  
Distinguished guests,  
Ladies and Gentlemen.**

It is a great honor and pleasure for me to speak in front of this impressive gathering with representatives from different parts of society, from Parliament, Government, civil society, private sector, and not only from Ghana, but from all over the world. This is already a *means in itself*!

The need for responsible and accountable governance in the extractive industries poses complex challenges worldwide; varying from one individual country to another. GHEITI is prominent in Ghana. Congratulations to all those who support this initiative – among others Chief Director Cobbinah. Ghana is very active to this respect and can look back on many successes. These efforts have become increasingly important in the face of Ghana's emerging petroleum industry and its implications for the country's quest for sustainable economic development. We hope that this conference will help us to share our experiences and learn from the *successes* as well as the *mistakes*. Yes, there will be setbacks, sometimes. This should not hinder to find solutions, but to try to solve the problems and to *progress in the long time*.

Mr. Chairman, transparency initiatives find much support from the international public, everywhere. The German Government, Parliament and civil society pay much attention to it. They are *crucial*, they *matter*, they make a *difference*, as the Deputy Minister explained. Therefore, over the years, *German Development Cooperation* has been supporting the EITI in its efforts to develop its systemic capacities in the quest to ensure good governance or mineral revenues of the good people of Ghana. It is our firm conviction that if transparent and good governance of the extractive sector is to be ensured sustainably in the long-term, that:

- More *resources* are available to support smooth implementation of national *Development* strategies like the Ghana Shared Growth and Development Strategy (GSGDA).

- There is a *legal framework* that will seek to strengthen the initiative and ensure that all actors *play by the rules* and that no political powerhouse rises to destroy the gains made.

The increasing demand for EITI implementation in the African region and other places indicates that people want *accountability*. This only shows that there's so much work to be done, and the respective roles of EITI practitioners, civil society actors, Parliamentarians, and the industry are crucial to achieve these goals.

If you follow the *media* in Ghana you conclude that the public observes the discussions on the gains of the extractive sector very closely. This is a very good, and an important *element* of the entire process. At present, for instance, there is an ongoing debate on the *windfall tax*. I assume that this will be one of the topics for the coming days.

Ladies and Gentlemen, in the course of the next two days, you will have the opportunity to engage with and learn from other EITI practitioners, as well as members of civil society, international organizations and academia from countries with as diverse experiences as Azerbaijan, Nigeria, Liberia, Sierra Leone, South Africa, Timor Leste and a host of many others. The knowledge and networks you will build here in Accra can be invaluable assets in your efforts to strengthening the role as *change agents* in increasing transparency and accountability in the extractive sector in your respective countries.

The speakers assembled for the conference are renowned experts in their fields and I am certain that the conference will be fruitful. I would like to encourage you to go beyond *knowledge-exchange*. *Visions* are important as central guidelines. Thereafter you have to agree upon more *concrete steps*, such as a regional framework. There will also be *difficult themes*; don't leave them out, but try to solve them, as one of the other speakers said! I am certain you will be successful.

Mr. Chairman, distinguished guests, ladies and gentlemen, thank you very much for your attention!





*Hon. Minister of Finance and Economic Planning Dr. Kwabena Duffour*



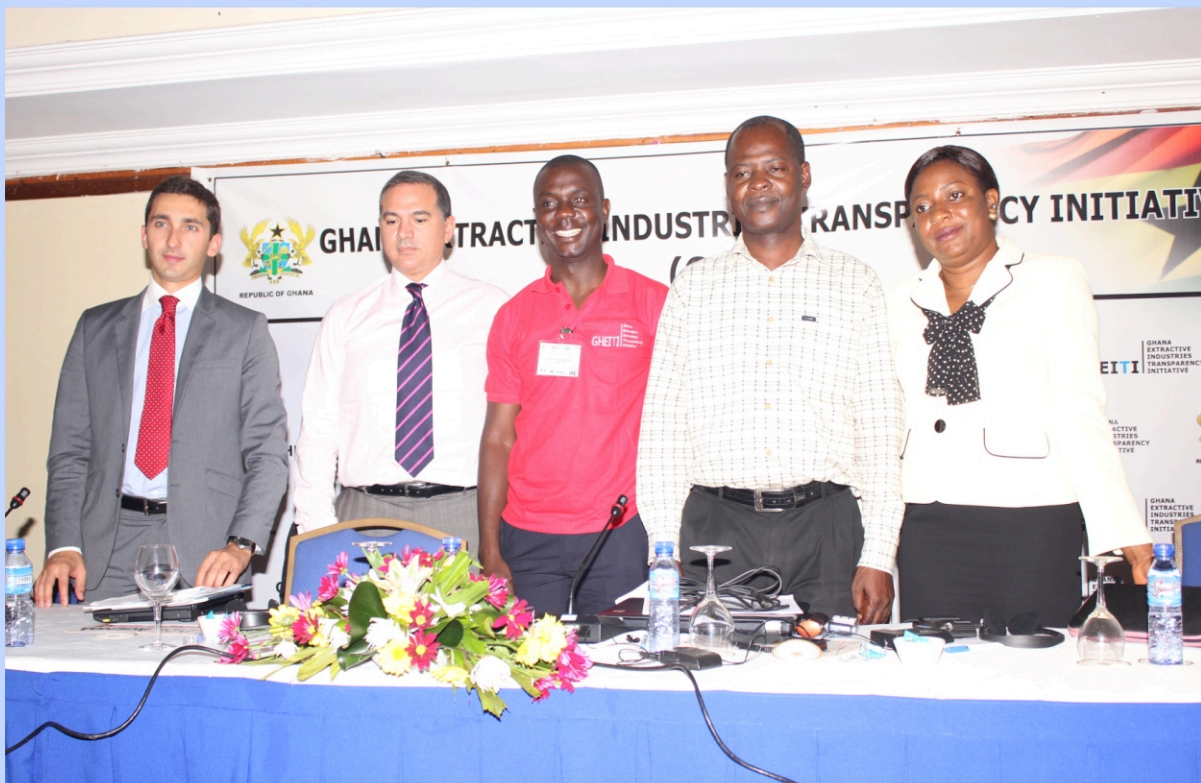
*Cross section of participants at the Conference.*



## GHEITI REGIONAL CONFERENCE



*L-R: Ms. Kate O'Shaughnessy, Australian High Commission and Mr. Bart Missinne of the European Union*



*Some participants at the Conference*

**GHEITI REGIONAL CONFERENCE – ACCRA - SEPT. 27 – 28  
2012**

**REMARKS BY DR. STEVE MANTEAW ON BEHALF OF CSOs**

**Na Chairman,**

**Your Excellency the Vice President of the Republic of Ghana,**

**Distinguished Guests, Ladies and Gentlemen**

I represent a coalition, whose membership at present includes organized groups and NGOs working on mining, oil and gas, forestry, public sector accountability, policy advocacy, and environmental issues. These include: the Integrated Social Development Centre (ISODEC), Friends of the Nation, Centre for Public Interest Law, Public Agenda, the Trades Union Congress of Ghana, the National Catholic Secretariat, League of Environmental Journalists, NEWENERGY, and WACAM.

At the turn of the millennium, natural resource dependent countries of the world stood at a threshold that required rethinking of the role of natural resource exploitation in their economic development. This process was largely influenced by the paradox of plenty, a situation many mineral-endowed countries of the developing world found themselves. I do not need to convince you that the reason most resource-rich communities have been in arms in Africa, Asia, Latin America and beyond, is that, while so much wealth is generated from extractive activities in the communities, the ordinary people become ever more impoverished: livelihoods are lost, environment degraded, and the community's sense of security shattered, often with little or no compensation.

Na Chairman, a study by the Operation Evaluation Department (OED) of the World Bank which reviewed the Bank's policy towards six countries, including Ghana from 1993 to 2002 concluded that the risks and costs borne by host countries in developing the mining sector "outweighed potential benefits". The risks according to the report included "long term environmental damage with accompanying health consequences, the destruction of the traditional (and more sustainable) economic foundations of local communities", forced resettlement and increased corruption. The study adds that because minerals like gold "are limited and non-renewable their exploitation cannot be a long-term base for developing the economy". Food for thought!

Na Chairman, when the Extractive Industries Transparency Initiative was launched in 2002, many of us in civil society, received the news with cynicism in terms of how it will address our key concerns which resonate perfectly with those highlighted in the World Bank's study. Indeed, many of our compatriots viewed the initiative as an attempt to diffuse the growing anti-extraction sentiments worldwide, in the same way that the HIPC initiative was used to diffuse the growing demand for total debt cancellation in the run up to the new millennium.

Today, looking back, and reflecting on what we here in Ghana, and I guess other implementing countries, have been able to achieve with EITI – the policy and practice change brought about as a result of the findings and recommendations of EITI audits, we definitely can say confidently, that we are on course to turning resource extraction into a win-win venture for companies, governments and citizens alike.

Looking into the future, it is our hope that EITI implementing countries will be more innovative and more ambitious in terms of raising the status bar of what has now become a global bench mark for assessing the performance of governments in managing their natural resources. Being innovative and ambitious will require there-definition of scope and content of EITI to align its objects with the concerns of community people.

Mr. Chairman, we have had many interactions with this section of our population who have the unfortunate destiny of having to live for generations to come with the negative impacts of resource extraction, and find among others that, their most nagging concerns centre on the relationship between mining companies and the communities in which they operate. In particular, issues of crop compensation, environmental cost and compensation, livelihood insecurity, and human rights abuses perpetrated by some companies, working in tandem with state security agencies have always come up.

These concerns are consistent with the former UN Secretary General, Kofi Annan's observation in a foreword to a manual on Conflict-sensitive Business Practice, compiled by International Alert, that, the wrong decisions, and the manner in which they are made, in terms of investment, employment, community relations, environmental concerns, and resettlement obligations, on the part of government and corporate bodies, have pushed many extractive sector businesses into conflict with the communities in which they operate.



These conflicts, Kofi Annan observed, have often been aggravated by the massive corruption and the lack of transparency associated with the distribution of the wealth generated from the extractive sector.

Na Chairman, while we concede that transparency in the extractive sector will to some extent reduce mistrust, mutual suspicion, and conflicts in mining communities, we note that the EITI framework as it stands, does not address many of the pertinent concerns of community people.

In engaging with the process, therefore, PWYP-Ghana shall continue to push for broadening the scope and deepening the content to bring on board all other legitimate concerns not captured in the current framework, including other dimensions of transparency, such as: contracts, policy formulation, regulatory regime, social and environmental costs and compensation, and also seek to bring on board other extractive sector activities.

This is what we see as our role in the EITI process – a citizens' collaboration with the central government, local authority, and extractive sector companies, with the view to safeguarding the values of fairness, equity, and of sustainability of the environment on which our lives and that of posterity depend.

In this collaborative engagement, there are, and shall be no winners and gainers.

Thank you.

**CLOSING REMARKS AT THE REGIONAL CONFERENCE ON  
"NATURAL RESOURCE GOVERNANCE: SETTING STANDARDS  
WITH THE EXTRACTIVE INDUSTRIES TRANSPARENCY  
INITIATIVE (EITI)" BY MR. BEN HAGAN, SECRETARY TO THE  
CABINET**

**Na Chairman,**

**Your Excellency the Vice President of the Republic of Ghana,**

**Distinguished Guests, Ladies and Gentlemen**

Let me congratulate all of you here, participants, sponsors and organizers for what appears to have been a very successful conference. By all accounts this Regional Conference on "Natural Resource Governance: Setting Standards with the Extractive Industries Transparency Initiative (EITI)" has met its main objective of bringing participants in the EITI process from all over the world to share experiences and to make proposals for charting the way forward for improving the process and for further collaboration.

A review of the Conference programme indicates that issues such as Setting Standards with EITI, the implications of being EITI Compliant for governance and management as well as the challenges of achieving compliance have been extensively explored through various country experiences. While these reflections on implementing EITI have drawn on the efforts of very different (including Liberia, Azerbaijan, Timor Leste, Niger, Gabon, Sierra Leone and Ghana), no doubt several commonalities about the gains as well as the challenges have been found.

EITI is primarily about ensuring accountability and optimizing the proceeds of mineral resources and extractive industries for pro-poor development. But it also fosters commitment to equity, transparency and credibility on the parts of all the players. Ultimately, it is

expected to result in a win-win situation but definitely will run into resistance from powerful actors in the short run. There are also practical and administrative challenges to implementing EITI – including challenges with information access, reliable and consistent data and finding the right champions in government and industry. Reports may not have been submitted on time. Findings in-country may not have been adequately disseminated and some EITI partners may have been disappointed that prompt action has not been taken on their findings. Certainly not all actors have demonstrated the capacity to engage in the process. Several civil society partners are willing but weak. Other key players such as traditional authorities may not have been sufficiently involved in the process.

However, the future is bright for this experience. Several countries including Ghana are improving systems and processes that have implications for enhancing the EITI process. The adoption of the Integrated Financial Management Information Systems in many countries, and known in Ghana as GIFMIS, is one such intervention that will facilitate tracking of revenue sources. Other efforts in several countries relate to improving the management of statistics especially in the public sector. International imperatives for improving citizens' participation in public financial management and building capacities for social accountability are also at the top of the agenda. All of these trends will augur well for the conduct of EITI.

I want to urge all of you to continue the good work and not be deterred by the challenges as they are presently. You have learnt valuable lessons along the way, from one another and through the good work the international EITI Secretariat has done. Please take advantage of the international trends, some of which I outlined above and maximise the opportunities for data management and sharing information, that the current innovations in information technology offer. Continue to collaborate and share experiences;

where resources allow, build your capacities together. As you work hard to let national governments, mining companies and other industry players understand the rational of transparency in the payment and distribution of mineral resources, all these parties will come to appreciate the win-win situation that EITI offers.

The Government of Ghana pledges to continue to participate actively in the EITI process in Ghana as well as wherever our support will be required. EITI provides a “best practice” template that can be applied in other undertakings that involve the generation and use of public resources. The present coverage can be extended to other extractive industries and natural resource-based undertakings as forestry and the other minerals such as salt.

We believe passionately in improving the well-being of our people through the creation of jobs, social development and equal opportunities for all sections of the people. We have not been able to eradicate poverty yet but we expect that through transparency and accountability, we shall be able to empower our people and offer opportunities to every Ghanaian child, woman and man. Our mineral resources should be the leverage for sustainable and equitable development. We will continue to work in partnership with the private sector and civil society. This is our pledge and I do believe this has been evident in the work of the government under the “Better Ghana Agenda” and over the past four years. The pledge was recently renewed by His Excellency President John Dramani Mahama in his policy statement earlier this month.

In conclusion, I want to thank all of you for your contributions to making this event a success. Our private sector partners, international development agencies, sister countries, the Ministries of Finance and Economic Planning and Lands and Natural Resources, Nananom and indeed the EITI Secretariat all deserve our



commendation and praise. On behalf of the Government and people of Ghana, I say "Ayeekoo".

Now I have the distinct honour and pleasure to declare this Regional Conference on "Natural Resource Governance: Setting Standards with EITI" duly closed.

