

MR. JONAS MOBERG-HEAD OF INTERNATIONAL EITI, NORWAY, PAID A COURTESY CALL ON THE DEPUTY MINISTER OF FINANCE AND THE GHANA EITI NATIONAL STEERING COMMITTEE (NSC).

Meeting with the Deputy Minister for Finance and Economic Planning

Mr Jonas Moberg, Head of International EITI Secretariat on the 8th of February, 2012 paid a courtesy call on the Hon. Deputy Minister for Finance and Economic Planning, Hon. Seth Terkper and the Ghana EITI National Steering Committee on his way to attend a high level EITI National workshop in Nigeria.

The meeting provided an opportunity for them to exchange views on the GHEITI and changes taking place on the global EITI front.

Mr Jonas Moberg commended the Hon. Deputy Minister on the Government's commitment to the EITI process so far and the strides made by the Ghana EITI. He emphasised the need for Ghana to include the oil and gas data in the next Ghana EITI reports.

He introduced the Deputy Minister's attention to the new publication of the EITI International Secretariat on "Extracting EITI data overview of EITI reports published from 2005-2011".

Referring to the report, he informed the Minister that based on various country EITI Reports, comparative analysis was made on the benefits countries derived from extractive sector.

The data however showed that Ghana benefits very little from the mining sector as compared to other EITI implementing countries in the sub-region.

The Hon. Deputy Minister expressed his disappointment on some international transparency rankings which completely ignore how well some EITI implementing countries are doing and focus only on some other transparency variables.

He assured the Head of EITI of Governments commitment to ensure transparency in emerging oil and gas sector. He informed him that, Ghana has passed a Petroleum Revenue Management Act with transparency and Accountability fully entrenched into it. The Hon. Minister thanked Mr. Morberg for the courtesy call and assured him of Government's commitment to EITI implementation.

Meeting with the GHEITI National Steering Committee members

Among the issues discussed were Changes in the International EITI rules, Production of Ghana EITI reports and the possibility of hosting a regional EITI conference in Ghana.

Remarks by GHEITI National Coordinator

Mr. Franklin Ashiadey, GHEITI National Coordinator, in a brief welcome remark expressed the group's appreciation for the visit. He mentioned that, the GHEITI had so far produced seven Audit reports for mining spanning from 2004-2008. These reports have provided some useful insights and data on the sector resulting in some reforms within the sector. He added that the most recent of such reforms were contained in the 2012 Budget Statement. A few of the areas that were reviewed included;

- Increasing mineral royalty payments from the range of 3% - 6% to a flat rate of 5%,
- Increasing corporate tax rate for mining companies from 25% to 35%,
- Introducing a 10% windfall tax for the mining companies, and
- Introducing a uniform capital allowance regime of 20% per annum for 5 years for mining companies, among others

He added that Ghana EITI has been successful in extending EITI to the oil and gas sector, for this the first aggregated report covering the sector is expected to be produced by September, 2012. Plans are on-going to procure the servicing of an aggregator to undertake the reconciliation and the production of the reports.

He also noted that the GHEITI Secretariat is working hard to ensure reports produced are consumed by the populace especially within the communities.

He informed him that the Secretariat undertakes extensive sensitization program/ community fora for many of the critical stakeholders in the District/Municipal Assemblies.

He shared with Mr Moberg a few key activities the Secretariat is working on for 2012. This includes:

- ✓ the extension of EITI to the forestry sector by 2013 of which negotiations and consultations are ongoing,
- ✓ development of draft guidelines for the utilization of mineral royalties by District Assemblies and development of guidelines for Corporate Social Responsibility by mining companies and
- ✓ draft Legislation of EITI, which will provide legal backing for Ghana EITI the process, and
- ✓ Organization of a GHEITI Regional conference

Mr. Franklin Ashiadey, concluded that although the Multi Stakeholder Group (MSG) has benefitted from some local and international capacity building programmes, more support is needed to adequately equip the group to handle the responsibility to rolling out the initiative to the oil and gas sector and called for the International Secretariat to support the group in that respect.

Contributions by some members of the NSC

Mr. J. B. Okai of the Ministry of Energy, commenting on the issues at the meeting mentioned that, in the case of the oil and gas reporting which is a new field for GHEITI, several attempts has been made to learn from the experiences gained in the mining sector. In this, the PRMA ACT 2011(Act 815) has been enacted which provides the framework for the oil and gas sector. A policy for local participation and local content to work out the modalities of oil and gas sector is being drafted. The Ministry of Energy in collaboration with the members of the GHEITI Secretariat will continue to discuss ways by which capacity of the NSC will be built to enable them

address issues related to the upstream, midstream and downstream of oil and gas sector extractives.

Mr. B.C.D. Ocansey of GRA also mentioned that aside the improvement in the fiscal regimes in the mining sector, the Minerals Commission is in the process of fencing concessions of mining companies to prevent companies from exploring beyond their concessions. He called on the International EITI Secretariat to help Ghana EITI learn from countries that have successfully implemented EITI.

Contributing to the discussion, Mrs. Hannah Owusu-Koranteng of WACAM called on the international EITI Secretariat to help developing countries implementing EITI to encourage non-implementing countries to sign up to the initiative. She added that access to information in some of these countries is very poor and needs to be enhanced.

Remarks by Mr. Jonas Moberg, Head of International EITI

Taking his turn, Mr. Moberg expressed satisfaction about Ghana's achievement over the years and mentioned that with the oil find, the interest in Ghana is extraordinary, the international community is watching with keen interest, he added. However, he challenged that more could still be done. He advised that EITI should not only be interested in producing reports/information yearly but also ensure that they are effectively used to achieve results. He reminded that the content of EITI reports should also capture the contribution of improvement in revenues with respect to GDP, production levels and rate of recovery. He added that such information give a clear picture of the extractive sector.

He informed the meeting that the EITI rules were reviewed last year to give more focus to the initiative. He cautioned that by the revised rules, EITI is no longer interested talking about the principles but rather the emphasis should be on findings of the EITI reports and its achievements. He also mentioned that over the years, EITI has been implemented in isolation and called for its integration in to all relevant institutions.

He also empowered the Civil Society groups to demand more information on the extractive sector and also make use of available information. He added that change can be made in the extractive sector by encouraging performance. Mining companies can be scored based on their outstanding performances in the extractive industry and this will encourage low scoring companies to improve on their performances.

In conclusion, Mr. Jonas Moberg asked that Ghana EITI should consider changes in the minimum rules and also called for oil and gas EITI reports to include production levels and contract agreements as an addendum. He therefore promised to enhance the collaboration between Norway and the Ministry of Energy in Ghana to build relevant capacities of members.

Conclusion

Bringing to meeting to an end, the GHEITI National Coordinator, Mr. Franklin Ashiadey on behalf of his colleagues thanked Mr. Moberg for the visit and the insightful issues that he raised during the meeting. He expressed the hope that such a wonderful collaboration between Ghana EITI Secretariat and the International EITI Secretariat will continue for the mutual benefit of both parties.