

REPORT ON THE GHANA EXTRACTIVE INDUSTRIES  
TRANSPARENCY INITIATIVE (GHEITI) DISSEMINATION  
WORKSHOP ON THE 2012/13 FOR MINING, OIL AND GAS  
SECTOR REPORTS

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JOMORO DISTRICT ASSEMBLY, WESTERN REGION

**17<sup>th</sup> FEBRUARY, 2015**

## 1.0 EXECUTIVE SUMMARY

The National Steering Committee of the Ghana Extractive Industries Transparency Initiative in collaboration with the Ministry of Finance on February 10<sup>th</sup>, 2015, launched the 2012/13 EITI audit reports on mining, oil and gas.

The 2012/13 EITI report, guided by the dictates of the new EITI reporting Standards requires implementing countries to report not only on the aggregation and reconciliation of payments made by extractive companies to government and government's receipts from extractive companies but also to disclose information about how licenses are awarded; government's policy on disclosure of contracts that govern mineral extraction including relevant legal provisions, actual disclosure practices and any reforms that are planned or underway; also to disclose the state's participation in the industry and beneficial ownership structure of extractive companies operating in the country, revenue allocations, license registers and license allocations, transparency of government spending and budgets in general and Corporate Social Responsibility (CSR).

It is a requirement for GHEITI to regularly publish the extractive industry payments and government receipts. The annual reports are also to be disseminated across the country in order to inform and update all stakeholders about the outcome of the reconciliation of the extractive industry payments and government receipts.

In line with above, the first of the dissemination workshop for the 2012/13 reports was organized on the 17<sup>th</sup> of February 2015, at Jomoro District in the Western Region.

## 2.0 PARTICIPATION

Participants included members of the GHEITI National Steering Committee, District Chief Executive Officers, District Finance Officers, Coordinating Directors, Civil Society Organizations, Representatives from the Mining Companies in the region/district, Assembly Members and the Ministry of Finance as the Coordinating Ministry.

### 3.0 OPENING STATEMENTS

Honorable Ministers and dignitaries from the various extractive industries/sector took turns at the podium to give their remarks on the newly launched Ghana EITI 2012 and 2013 reports.

The first speech was delivered on behalf of the Western Regional Minister by the District Chief Executive of Jomoro Mr. Sylvester Nuamah Dadieh. In his address, he welcomed participants to the Western Region and emphasized the difference in the 2012/13 EITI reports from the previous ones, since they were produced under the revised EITI standard adopted in Sydney Australia in May, 2013. He expressed appreciation to the National Steering Committee of GHEITI and the Ministry of Finance for extending the dissemination exercise to the Western Region. He said the Region is endowed with several mineral resources, hence issues pertaining to mining, oil and gas and the management of returns accruing from the industry are therefore matters of great interest to the people of the region.

The statement by the Honorable Minister for Petroleum which was delivered by Mr. J. B. Okai expressed the keen interest of the Ministry in GHEITI's activities especially with the purpose of ensuring transparency and accountability in the exploitation, production and utilization of petroleum resources.

The third speech was read on behalf of the Deputy Minister of Finance Hon. Ato Forson by Mr. Franklin Ashiadey, the Coordinator for the Ghana EITI. In his address he reiterated that, as the EITI reports mark the cornerstone of the EITI implementation, there is expectation for its reports to be produced accurately, comprehensively and more importantly to be accessible to the public. He emphasized that government would not only ensure that the allocation of revenues best promote sustainable development but would also make sure that extractive resources are prudently managed and utilized for the benefit of the people, especially those immediately and negatively impacted by extractive activities.

#### 4.0 PRESENTATIONS

Background to EITI (by Dr Steve Manteaw, GHEITI Co-Chair)

The presenter Dr. Steve Manteaw took participants through the concepts, principles criteria and impact of EITI in Ghana since the country signed onto it in 2003.

Speaking on the subject, Dr Steve Manteaw traced the inception of the initiative to the World Summit for Sustainable Development held in Johannesburg, South Africa in 2002 which sought to unravel strategies for unleashing the full potential of natural resources for economic development and poverty reduction. Delegates, he said, concluded that for natural resource-dependent countries to realize the development potential of resource extraction, governments and companies will have to be open about the receipts and payments respectively. The expectation is that, citizens armed with the information, will be able to establish how fair contracts signed in their name are to their country's benefit and can also hold government accountable for how monies received by the state have been used to improve the lot of the citizens.

The 2012/13 reports which brings to ten the total number of reports published on the mining sector and three for the oil and gas sector, were published in conformity with the EITI standard adopted by the Sydney Global EITI Conference in 2013. The reports he emphasized goes beyond the mere reconciliation of payments and receipts but seeks to link resource extraction to the entire extractive industry value chain from the provision of contextual information to the disclosure of contracts and beneficial ownership structure.

The implementation of the initiative he indicated has led to tremendous developments in the natural resource governance of the country. Among its key achievements are: enhanced stakeholder dialogue between the three main stakeholders in the sector namely government, extractive sector companies, civil society and the communities; reporting on sub national revenues; facilitating reforms in fiscal regimes which has led to review in royalty rates from 3% to 5% and

corporate tax rates from 25% to 35%; improved and enhanced collaboration among regulatory agencies that govern the sector; the development of draft guidelines for the utilization of mineral revenues at the sub national level and guidelines on corporate social responsibility for the companies operating in the sector. The EITI he expressed is pushing further for the country to realize maximum benefits from sector particularly along the extractive value chain.

#### 4.1 2012/2013 GHEITI Oil/Gas and Mining Reports (by Boas & Associates)

The 2012/13 Oil/Gas reports marks the third EITI report on the sector since Ghana started oil production in 2010. Highlighting the objectives, scope of work and benefits stream assessed for the reports, the speaker drew attention to some observations made that requires policy direction to ensure that Ghana receives maximum benefits from its resource extraction.

The findings of the report included the absence of an online repository for the sector to enhance transparency and improve efficiency in the operations of the Commission, the open door licensing regime operated by the regulator which may lead to the award of licenses to inefficient operators, the lack of benchmark returns as required by Section 30(1) c of Act 815, non-payment of capital gains tax by PetroSA in 2012 for its acquisition of Sabre Oil/Gas Ltd, and discrepancies in computation of revenue streams by GNPC and GRA.

The mining sector report the tenth in the series shows that total collection in 2012 exceeded that of 2013, corporate tax receipts exceeded royalty in both years and the Artisanal and Small-scale mining accounted for 34% of total gold exports in 2012 and 2013. The production volumes by the ASM is very significant and calls for the development of mechanisms for the collection of royalties and other taxes from the sector since their activity greatly impact on the environment and the communities they operate in.

In 2012, the Western Region's receipt of royalties was GHS 8,632,941.25 (relating to January to June), however in 2013, there were no disbursements of royalties to local

government. The delay in the release of royalties is of great concern to local assemblies as it retards development projects.

## 5. HIGHLIGHTS OF ISSUES DISCUSSED

### Environmental Cost of Mining

It was pointed out that, although the adverse environmental impact of resource extraction was a great concern to participants, the Terms of Reference (TOR) for developing the GHEITI reports did not include environmental issues. Going forward, future TOR should include an assessment of the environmental cost for the true benefits of mining to be ascertained.

### Capacity Building for Impacted Communities

Representatives from the Civil Society Organizations appealed to the GHEITI Secretariat to ensure that mining royalties are channeled into capacity building, training on various courses on mining and oil and gas industry for the local people in the mining areas. This they said will create employment for the indigenes and improve their standards of living.

### Compensation Claims

Participants expressed worry about the conduct of the major mining companies in signing agreements on land concessions. They appealed to the GHEITI secretariat to organize sensitization workshops on laws on compensation to empower and enable them demand what is legally due them.

### Security

Participants demanded the corporation of the military men assigned to protect the land owners in the various mining areas.

### ASM activities and its Impact

The environmental impacts of ASM activities within the communities were greatly highlighted. These included land degradation, more specifically, clearing vast forest lands, digging trenches and the upturning of vegetation which in turn leaves land bare and exposed to agents of erosion. It is quite common for prospective sites to be stripped bare of vegetation topsoil, and where deep underground mining has

occurred, pits are left uncovered and abandoned. With the ASM subsector accounting for 34% of gold production in 2012 and 2013, the “galamsey” activities should be modernized and regularized for the indigenous people. Through this government can create structures to earn revenues from the sector.

### Funding

Funding challenges hinders the deployment of resources to curb galamsey activities which are destroying farm lands and properties and the environment. The District Chief Executives appealed to the GHEITI Secretariat to assist with securing funds for effective control of galamsey operations.

### Translation of GHEITI Reports into Local Languages

There was a question on whether the GHEITI 2012/13 for mining, oil and gas sector reports could be translated into the local language for ease of reading by the local people. It was answered that, the NSC will consider the proposal and communicate back.

### Status of the Mineral Development Fund Bill

On the status of the Mineral Development Bill which was drafted in 2009, information gathered was that the Bill had been reviewed by both Cabinet and the Attorney Generals Department and will soon be laid before Parliament for debate and promulgation. As such, the legal basis under which disbursements from the Minerals Development Fund were made was described as questionable.

## 6.0 CONCLUDING REMARKS

Mr. Franklin Ashiadey, the Coordinator for the Ghana EITI gave his closing remarks admonishing participants to use the reports to demand for accountability. As next steps he outlined the roadmap for the dissemination of the 2012/2013 EITI reports to be undertaken in the Western , Ashanti, Brong-Ahafo, Northern and Eastern Regions of the country to ensure that all stakeholders affected by the findings/recommendations of these reports are adequately informed of the contents therein.

## LIST OF PARTICIPANTS

| S/NO | NAME                          | ORGANIZATION                  |
|------|-------------------------------|-------------------------------|
| 1    | B. C. D. Ocansey              | GRA                           |
| 2    | Philomena Johnson             | PWYP                          |
| 3    | Joseph Ben Okai               | MOP                           |
| 4    | Franklin Ashiadey             | MOF                           |
| 5    | Steve Manteaw                 | ISODEC/PWYP                   |
| 6    | K. Boa Amponsem               | Boas and Associates           |
| 7    | Tuinese E. Amuzu              | Hsc/CHROG                     |
| 8    | Alfred Nyasulu                | GIZ                           |
| 9    | Frank Turkson                 | GMC/GCM                       |
| 10   | Kojo Asafo Aidoo              | Boas and Associates           |
| 11   | Linda Tamakloe                | GNPC                          |
| 12   | Osei Afriyie                  | GNPC                          |
| 13   | Hannah Owusu Koranteng        | WACAM/ PWYP                   |
| 14   | George Addy- Morton           | PC                            |
| 15   | Joseph Quaicie                | GMC Tarkwa                    |
| 16   | Jahl Ali Mahama               | Jomoro District Assembly      |
| 17   | Monalyn A. Bempah             | Extraction for Development    |
| 18   | Victoria Benson               | MOF                           |
| 19   | Bashiru Mohammed Abdul- Razak | MOF                           |
| 20   | Amenya Emmmanuel              | MOF                           |
| 21   | Enoch Obeng Darko             | MOF                           |
| 22   | Daniel K. Eshun               | Ellembelle District Assembly  |
| 23   | Stephen Williams              | Jomoro                        |
| 24   | Samuel Appartain              | Ellembelle District Assembly  |
| 25   | Innocent Haligah              | Ellembelle District Assembly  |
| 26   | Abudu Amadu                   | Jomoro                        |
| 27   | Victoria A. Quacoe            | OASL Secondi                  |
| 28   | Sylvester N Daddich           | Jomoro                        |
| 29   | Isaac Kwakye                  | MCD NEMA                      |
| 30   | E. Ofori                      | DFO NEMA                      |
| 31   | Quarshie John                 | Ellembelle Distrctit Assembly |
| 32   | Mensah Amos John              | Ellembelle Distrctit Assembly |
| 34   | Daniel Bomah                  | Ellembelle Distrctit Assembly |
| 35   | Hon. Isaac Newton Biney       | Ellembelle                    |
| 36   | Hon. Lord S. K. Cudjoe        | Ellembelle                    |
| 37   | Hon. Shaibu Chief Issaka      | Ellembelle                    |
| 38   | Hon. Maxwell Essien           | Ellembelle                    |
| 39   | Hon. Isaac K. Mensah          | Ellembelle                    |
| 40   | Hon. Titus Narchia Aikins     | Ellembelle                    |
| 41   | Hon. Assuah Benie             | Nzema East                    |
| 42   | Hon. John Abugri              | Nzema East                    |
| 43   | Hon. Emmanuel Addiah          | Nzema East                    |
| 44   | Hon. Kingsfid Abeka           | Nzema East                    |
| 45   | Daniel K. Duku                | Nzema East                    |

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|----|-------------------------|--------------------------|
| 46 | Hon. Charles K. Arthur  | Nzema East               |
| 47 | Hon. John A. Mahamah    | NEMA                     |
| 48 | Moses Andon             | Assemblyman Elubo        |
| 49 | George A. Blay – Morah  | JDA(pm) Half- Assini     |
| 50 | Veronica Cudjoe         | Assembly member          |
| 51 | Hon. Blay Johnson       | Assembly Man             |
| 52 | John De-Graft Abotar    | District Budget officer  |
| 53 | John Ekobor             | Assemblyman              |
| 54 | Isaac Adeabah           | Assemblyman              |
| 55 | Henry W. Anlimah        | Assemblyman              |
| 56 | Anthony Nomah           | Assemblyman              |
| 57 | Victyoria O. Osan       | Assemblyman              |
| 58 | Cudjoe Evans            | Assemblyman              |
| 59 | Awuah S. Thomas         | WACAM                    |
| 60 | Peter Yeboah            | WACAM                    |
| 61 | Rev Gladys Abakah       | WACAM                    |
| 62 | Ibrahim Ekorbo John     | WACAM                    |
| 63 | Agoui Patrick           | Assemblyman              |
| 64 | James Heman             | Assemblyman              |
| 65 | Emmanuel A. Erzoa       | Assemblyman              |
| 66 | Francis Amihere         | Assembly member          |
| 67 | James F. Bogoloh        | Assemblyman              |
| 68 | Joseph Nyamikeh         | Assemblyman              |
| 69 | Osei- Mensah A          | Jomoro District Assembly |
| 70 | Samuel Tatuani          | Jomoro District Assembly |
| 71 | Jacob T. Ademang        | Jomoro District Assembly |
| 72 | Gifty N. Arthur         | Jomoro District Assembly |
| 73 | Bio Meikano             | Jomoro District Assembly |
| 74 | Angelo Turkson          | Jomoro District Assembly |
| 75 | Moses Afful             | Jomoro District Assembly |
| 76 | Offei Addo Emmanuel     | Jomoro District Assembly |
| 77 | Aikins Osvaldo          | Jomoro District Assembly |
| 78 | Esther Anagarlu         | Jomoro District Assembly |
| 79 | James Okyere            | Jomoro District Assembly |
| 80 | Stephen K. Ackau        | Jomoro District Assembly |
| 81 | Abdul Fatawu Zubril     | Jomoro District Assembly |
| 82 | Amadu Malik A. K        | Jomoro District Assembly |
| 83 | Abraham Oppon           | NHIA                     |
| 84 | Borzah Isaac            | Jomoro District Assembly |
| 85 | Awulae Annor Adjaye III | Omanhene                 |
| 86 | Kwasi Atimo             | Linguist                 |
| 87 | Kwasi Prah              | Sofohene                 |
| 88 | Grace Blay              | Elder                    |

|     |                         |                              |
|-----|-------------------------|------------------------------|
| 89  | Frank Tawe Blay Kwaku   | Linguist                     |
| 90  | Whajah Kodwo            | Elder                        |
| 91  | John Asebia             | Elder                        |
| 92  | Etwe Bowu               | Tufuhene                     |
| 93  | Nana Awuah Badwo III    | Half Assini                  |
| 94  | Bernard K. Quansah      | GNTDA                        |
| 95  | Augustine Essel Cudjoe  | Centre for Social Concern    |
| 96  | Thomas Guane            | Nzema Youth                  |
| 97  | Afari Kwaku             | WACAM                        |
| 98  | Kennedy Kusi Marshall   | WACAM                        |
| 99  | Mark Asmah Arthur       | CSO, Oil and Gas             |
| 100 | Isaacv Kofi Oti         | WACAM                        |
| 101 | Dominic Cobbinah Yartel | CSO, Oil and Gas             |
| 102 | Stephen A. Duah         | Carpenters Association       |
| 103 | Ebakyea Solomon         | FON                          |
| 104 | Francis Ayebiafu        | GNA, Jomoro                  |
| 105 | Victor Adjei            | Cameraman                    |
| 106 | Patrick B. Bebu         | Nzema Youth Association      |
| 107 | Ibrahim Sumaila         | Cameraman                    |
| 108 | Ebenezer Abekah         | TV3                          |
| 109 | Thomas Smith            | GNA                          |
| 110 | J. J. Kaku              | Daily Heritage               |
| 111 | Gideon H. Mensah        | New Day Fm, Jomoro           |
| 112 | Jonathan Debley         | GTV                          |
| 113 | George Afriyie          | GTV                          |
| 114 | Mustapha Ashalley       | GTV                          |
| 115 | Michael Adodoadzi       | GTV                          |
| 116 | George Grant Yankson    | GBC Rdio                     |
| 117 | Patrick E. Arthur       | Metro TV                     |
| 118 | Joseph Mensah           | Metro TV                     |
| 119 | Glenford Acquaye        | MOP                          |
| 120 | Emmanuel Armoo          | Ellembelle District Assembly |
| 121 | Emmanuel K. Ato         | MOF                          |
| 122 | Akonnor Godfred         | G.R.A.                       |
| 123 | Kennedy Asamoah         | MOF                          |
| 124 | Issaka Shaibu           | Ellembelle District Assembly |
| 125 | Atta Kofi               | R.C.C.                       |
| 126 | John Kofi               | Driver                       |
| 127 | Emmanuel Ayeh           | Driver R.C.C                 |
| 128 | Michael Quansah         | Driver P.A                   |
| 129 | James Armoo             | Driver                       |
| 130 | Otoo Richard            | Driver                       |

