

REPORT ON THE GHANA EXTRACTIVE INDUSTRIES  
TRANSPARENCY INITIATIVE (GHEITI) DISSEMINATION  
WORKSHOP ON THE 2012/13 FOR MINING, OIL AND GAS  
SECTOR REPORTS ORGANIZED ON THE 3<sup>RD</sup> -5<sup>TH</sup> MARCH 2015



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HOTEL DE HILDA TARKWA

## 1.0 EXECUTIVE SUMMARY

The second in the series of the 2012/13 GHEITI Reports dissemination workshop was held in Tarkwa in the Western Region from the 3<sup>rd</sup> to 5<sup>th</sup> March, 2015.

The 2012/13 EITI reports guided by the new EITI reporting Standards aims at helping implementing countries find a link between EITI and sustainable economic and social development. In line with the new Standards, the reports included information not only on aggregation and reconciliation of extractive payments and receipts but also information on production data, disclosures on how licenses are awarded, government policy on contract disclosures, the state's participation in the industry and the beneficial ownership structure of extractive companies operating in the country.

It is a requirement for GHEITI's annual reports to be published and disseminated across the country in order to inform and update all stakeholders on the outcome of the reconciliation of the extractive industry payments and government receipts. It is the expectation of the framers of EITI that citizens armed with information, will be able to establish how fair contracts signed in their name are to their countries' benefits and can also hold government to account for how monies received by the state have been efficiently utilized.

## 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, Assembly Members, the Media and the Ministry of Finance as the Coordinating Ministry.

## 3.0 OPENING STATEMENTS

The workshop was opened by the Deputy Western Regional Minister Mr. Alfred Ekow Gyan. He set the tone by highlighting the positive impacts of mining to the national economy but the poor conditions in mining communities which he noted do not

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measure up to years of resource extraction from such areas. He said initiatives like GHEITI have sought to provide opportunity for public discourse on revenues by extractive companies and government as well as engendering citizen's participation in the decision making process at the local level thereby lowering expectations and promoting local economic development and poverty reduction. Mines, he stated have a finite life span, local communities must therefore be empowered to use the returns from mining activities to build the economic capacity of mining operating areas.

The opening session of the workshop was also addressed by representatives from the Ministries of Petroleum, Local Government and Rural Development, Lands and Natural Resources, Petroleum and Finance on behalf of the sector Ministers. The speakers reflected on the importance of revenue transparency in enhancing governance of the extractive sector and pledged their Ministries support for GHEITI to complement the existing structures of good governance and transparency in the country.

#### 4.0 PRESENTATIONS

##### 4.1 Concepts, Principles & the Impact of GHEITI on Policy (by Dr. Steve Manteaw, GHEITI Co-Chair)

Speaking on the subject, Dr. Manteaw was full of praise for the initiative which he said through its implementation transparency and accountability the country's natural resource governance has greatly improved. He traced the origins of the initiative to the 2002 World Summit for Sustainable Development held in Johannesburg, South Africa which aimed at unraveling strategies for unleashing the full potential of resource extraction for socio-economic development and poverty reduction particularly in resource rich developing countries. Highlighting the impacts of the initiative since Ghana signed onto in 2003, he posited that the initiative has led to tremendous improvement in the natural resource governance of the country.

Some key policy impacts achieved through the implementation of the Ghana EITI include enhanced stakeholder dialogue between the three main stakeholders in the sector namely government, 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. These notwithstanding there are some outstanding and pipeline policy actions which the NSC aims to address. These include windfall tax in the sector, delays in transfer of communities' share of benefits, non-payment of ground rent, transfers from regional OASL to districts not accompanied by advice and the eroded capacity of IRS in appreciating the financial intricacies of mining operations following the abolition of the special mining and replacement by the Large Tax Payers Unit.

Citing untimely reporting as one of the key challenges to the implementation of the initiative, Dr. Manteaw stated that for the reports to be useful, they must be current to facilitate the adoption of its recommendations by policy makers.

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

The 2012/13 mining sector reports marks the tenth EITI report on the mining sector since Ghana acceded to the initiative. Highlighting the objectives, scope of work and benefits stream assessed for the reports, the speaker drew attention to some key findings and observations made that require policy direction.

Findings from the 2012/13 report revealed that total mineral revenue collected 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 and this the recommended for the development of mechanisms to collect royalties from the operators.

It further indicates that, in 2012, the Western Region's receipts of royalties amounted to GHS19, 389,728.90. It is however important to emphasize that, of the amount received only GHS 8,632,941.25 related to January to June 2012, the

balance of GHS10,756,787.7 relates to specific periods in 2010 and 2011 (2012/13 EITI Reports, Pg 80). In 2013 however, there were no disbursements of royalties. Table 1 below shows royalty amounts due and received by Districts and Municipal Assemblies in the Western region.

It is significant to note that Tarkwa Nsuaem District is one of two districts that have implemented the EITI earlier recommendations of having dedicated accounts for its mineral royalties received thereby enabling tracking and utilizations of its revenues received. Royalties received for the year 2012 were utilized on both capital projects and recurrent expenditures with an amount of GHS 293,427 expended on waste management.

Table1: 2012 Amounts due/Receipts by District and Municipal Assemblies in the Western Region

District/Municipal Assembly:	Amount Due GHS	Amount received. GHS
Prestea Huni Valley	5,206,357.94	4,585,180.00
Mpohor Wassa East <sup>13</sup>	449,956.30	355,851.00
Tarkwa Nsuaem	2,900,376.04	2,741,956.00
Bibiani/Ahwiaso Bekwai	944,617.37	841,623.00
Sefwi Wiawso	1,085,504.86	1,183,321.00
Ellembelle	619,880.81	344,561.93

2012/13 GHEITI Mining Report

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

Findings included the absence of an online repository to enable the regulators to enhance transparency and improve efficiency in their operations; the open door licensing regime operated by the regulator may lead to the award of licenses to inefficient operators; the lack of benchmark returns as required by Section 30(1) c of PRMA, Act 815, non-payment of capital gains tax by PetroSA in 2012 for its acquisition of Sabre Oil/Gas Ltd; discrepancies in computation of revenue streams by GNPC and GRA and the broad allocation from ABFA on capacity building and the absence of published data on projects funded by the ABFA to track the progress of on-going work and their potential development impacts.

## 5.0 HIGHLIGHTS OF ISSUES DISCUSSED

### Expanding the Scope of GHEITI Reports to Include Fishing & Forestry

It was emphasized that, the adverse environmental impact of mining and oil and gas exploration is highly realized in the fishing industry; meanwhile the GHEITI reports have not considered the sub-sector in their reconciliation. The National Steering Committee responded in the affirmative clarifying that the report will consider the fishing and forestry sub sectors in the future.

### Reconciling Levies & Permit Fees

The Ghana Chamber of Mines representative questioned the absence of the absence of environmental levies and fees in the Ghana EITI mining report, it was however agreed that GHEITI should consider including environmental levies and permit fees paid by mining companies in the mining reconciliation report.

### Currency Standardization

Though the GRA Income Tax Law is clear that mining companies should pay their taxes in cedis, the workshop was of the view that taxes paid by all extractive companies should be standardized and paid in dollar denominations as being done by the oil and gas companies. This will make reporting easier and also shore up our foreign exchange reserves.

## Regularizing ASM sub-Sector

It was recommended by participants that for small scale and Artisanal Mining who accounted for 34% of gold production in 2012/2013 mining sector report, to be properly regulated. By doing this government could earn revenues from their activities.

## Unemployment in Mining Communities

On the issues of unemployment participants 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. This they said will reduce the unemployment in the local communities and improve their standards of living.

## Enhancing Tax Collection

Mining companies evade taxes through mergers after enjoying capital gains and allowances during their initial stages of operation. Government should be circumspect about such dubious activities. To prevent such occurrences the GRA should work hand in hand with the minerals commission.

## Establishment of District GHEITI Offices

Participants proposed the establishment of a sub GHEITI office in Takwa to assist with the management of issues arising from the mining sector.

## 7.0 CONCLUDING REMARKS

The meeting was highly successful and came to a conclusion with closing remarks from the 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 reiterated that GHEITI is considering the establishment of a sub national office in some selected district particularly in the Takwa district.

**WORKSHOP PARTICIPANTS LIST**

<b>S/NO</b>	<b>NAME</b>	<b>ORGANIZATION</b>
1	Dr. Gad Akwensivie	OASL
2	Tuinese E. Amuzu	GIMPA Law
3	K. Boa Amponsem	Boas and Associates
4	Franklin Ashiadey	MOF
5	M. B. Abdul Razak	MOF
6	Amenya Emmanuel Kwame	MOF
7	Philomena Johnson	PWYP
8	J. B. Okai	MoP
9	Amponsah Tawiah	ID-Mineral Commission
10	Ben Aryee	MLNR
11	Frank Sofo	MLG and LD
12	B.C.D. Ocansey	GRA
13	Frank Turkson	GMC/GCM
14	Victoria Benson	MOF
15	Mona Bempah	MOF
16	Mahama Ali Jalil	Jomoro D.A.
17	Dr. Steve Manteaw	ISODEC/ PWYP
18	Kojo Asafo Aidoo	Boas and Associates
19	Ahmed NantogmaP. Gambila	New Times
20	Mustapha Ashaley	GTV
21	George Akyirefi	GTV
22	G. G. Yankson	GTV
23	Erica Addo	GNA
24	Hope Howusu	R.C.C.
25	Alfred Ekow Gyan	WRCC
26	Odeefour	Driver
27	Robert Awuni	WRCC
28	Edward Bardzie	STMA
29	Emmanuel Aumbasiya	Police WRCC



30	Mohammed Acha	STMA
31	Samuel V. Clements	WRCC
32	L. A. Santanaa	Sefwi Wiaso Mun. Ass.
33	Christina Kobinah	TNMA
34	Peter Nkuah	Akontombra
35	Enoch Kojo Appiah	SHAMA
36	Jacob Ware	BIB. ANH. BEKW.
37	Robert Wisdom Cudjoe	PHDA
38	Victor S. Meisu	Amenfi- West
39	S. B. Acheampong	Amenfi East
40	Anthony E. Aggrey	Wassa East
41	Nana Afia Hodibert	Forestry, Tarkwa
42	CAPT. Anthony Cudjoe	STMA
43	James Asante Baffour	SWMA
44	Patrick R. Aparik	S.A.D.A
45	John Owu	BAB D.A
46	Yaw Adu Asamoah	PHDA
47	Alhaji A. Alhassan	AWDA
48	Peter Thompson	TNMA
49.	Rachel F. Sarpong	WEDA
50	Jafaru Abdul Aziz	WAEDA
51	Aidoo E.	Juaboso D/A
52	Salifu Imoro	Sefwi Wiaso M/A
53	Isaac Akowuah	S/ Akontombra
54	Kofi Poku Barnie	BABDA
55	Owusu- Kwarteng K	Amenfi West
56	Stephen Bessabro	P.H.D.A.
57	Joseph K. Agyei	Tarkwa Nsuem
58	James E. Amoa	Wassa East
59	Frank Taylor	WAEDA
60	Bashiru Yakubu	MOF

61	Kennedey Asamoah	MOF
62	Emmanuel Ankrah	Boas and Associate
63	Grenford Acquaye	MOP
64	Isaac Fosu	SHAMA
65	Maxwell Anane	Akotombra
66	Eric Mensah	S.A.D.A
67	Evans	Wiawso
68	Gordon Tamake	Tarkwa
69	Derrick Bissie	Asanco
70	Charles Gyansleh	P.H.D.A.
71	Francis Ackah	T.N.M.A.
72	Musa Bakazi	Akropong
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