



**REPORT ON THE
INAUGURATION OF THE EXPANDED
NATIONAL STEERING COMMITTEE (NSC)
OF THE
GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE
(GHEITI)**

8TH SEPTEMBER, 2010

1.0 Introduction

On Wednesday 8th September 2010, the Hon. Minister of Finance and Economic Planning, Honorable Kwabena Duffour with support from colleague Ministers from the Ministry of Lands and Natural Resources, Hon Collins Dauda, Environment, Science and Technology, Hon Sherry Ayittey and Deputy Minister for Energy, Hon. Emmanuel Armah-Kofi Buah inaugurated the expanded National Steering Committee (NSC) of the Ghana Extractive Industries Transparency Initiative (GHEITI) in the Finance Minister's office from 10am-12pm (*copy of the programme is attached*). This inauguration was in line with the content of a Cabinet approved GHEITI Revised Institutional Framework document.

The expansion of the Committee resulted in the increase of the membership of the existing Committee for mining from a membership of 11 to a membership of 22. This expansion brought on board new members from the oil/gas sector. They were made up of representatives from the Ministry of Energy (MoEn) -2, Ghana National Petroleum Corporation (GNPC)-1, Ghana Manganese Company- 1, Civil Society Platform on Oil and Gas-2, Office of the President- 1, Ghana Revenue Authority- 1, Tullow Oil Ghana Limited-1, a representative from the Sekondi-Takoradi Municipal Assembly in the Western Region and a representative from the Jomoro District Assembly in the Western Region.

2.0 Welcome Address

The GHEITI National Coordinator, Mr. Franklin Ashiadey gave the welcome address. In his statement he mentioned that the old GHEITI National Steering Committee has been in existence since 2004. It was made up of representative from Government, Civil Society Organizations and the Mining companies. He added that with the discovery of Oil and Gas in Ghana, there was the need to extend the EITI principles to the oil and gas sector on time. This move is to promote the principles of accountability and transparency in the management of revenues from the sector.

He added that, the GHEITI Secretariat sometime in May this year received Cabinet's approval for a new Revised Institutional Framework. This revised framework took care of the interest of the oil/gas companies and calls on the existing Committee to increase the number of Civil Society (CS) representatives. In response to the later, the number of CS representatives was increased for one to three.

He expressed gratitude to members of the old Committee for their cooperation and hard work which has accounted for Ghana's strong global achievements and welcomed the new members on board. (*appendix I-Full remarks*)

3.0 Remarks

3.1 Hon. Minister of Lands and Natural Resources (MLNR)

In some brief remarks by the Minister of Lands and Natural Resources, Hon. Alhaji Collins Dauda, he mentioned that Government has clearly demonstrated its commitment to the principles of EITI by putting in place this Committee. He added that the EITI has extended its principles beyond the original concept and is particularly being implemented at the District level. He encouraged everyone especially citizens of host communities for mining and now oil/gas to take the findings of the published GHEITI reports seriously and use them as the basis to demand accountable governance from the managers of revenues from the extractives. He expressed the hope that the forestry sector will in the near future be included in the Initiative. He urged members to ensure that total transparency in the industry exist from the day that mining and petroleum rights are granted to the last day that environmental restoration is completed. (*Appendix II-Full remarks*)

3.2 Hon. Minister of Environment, Science and Technology (MEST)

The Minister for Environment, Science and Technology Hon. Sherry Ayithey stated that she was happy Ghana had expanded the frontiers of her process to the emerging oil/gas sector. She added that her outfit was ready to collaborate with colleague Ministers and other institutions to ensure that issues on the environment were not left

out of the debate. She noted that although it was important to follow the money it was equally important to keep an eye on the environment. She congratulated members and wished them well.

3.3 Hon. Deputy Minister of Energy (MoEn)

The Deputy Minister of Energy, Hon. Emmanuel Armah-Kofi-Buah was happy that Ghana had achieved so much with respect to EITI so in the mining sector. He was also hopeful that with the extension of the initiative's principles to the oil and gas sector, it will ensure transparency and accountability in the country's oil and gas revenues. He encouraged the members to work together to ensure that the goals of the EITI are achieved.

3.4 Inaugural Statement by the Hon. Minister of Finance and Economic Planning

In a statement by the Hon. Minister of Finance and Economic Planning, he expressed confidence that the EITI implementation in the Oil and Gas will draw some lessons from the EITI implementation in the mining sector. He noted that as a government the principles of EITI support our efforts to promote good and accountable governance in the public sector. Through the EITI reporting process, the revenue accruing to government from the extractive sector would be well documented and publicly disclosed. He urged the Committee members to take note of their mandate as documented in the approved framework for the extension of GHEITI to the oil and gas sector.

He concluded by thanking the National Steering Committee of the Mining EITI for their dedication and contributions to the EITI process so far. He also thanked all those who have put in efforts to ensure a smooth take off of this process.

Finally, he congratulated the nominees for accepting to take up this challenge. He entreated them to actively play an effective role in the Committee and ensure that proper channels of communication exist to effectively disseminate the outcome of all meetings. He also urged them to take up their mandate of formulating policies,

programmes and strategies for the effective implementation of the objectives of the EITI, monitoring and ensuring that key findings/recommendations from EITI Aggregator's reports are implemented within one year after issuance of the reports among others. (*Appendix III-Full statement*)

3.5 Remarks on behalf of Mining Companies

Mr. Sulemanu Koney of the Ghana Chamber of Mines noted that EITI was originally fashioned for the oil sector but deploying ingenuity and enterprise, Ghana's EITI team did not only adapt the principles of EITI to the mining sector but also blazed the trail to extend the EITI to the sub-national level. He added that the Chamber will continue to champion the course of GHEITI in ensuring transparency. He also expressed the wish of the Chamber to rededicate itself to the course of GHEITI and to assure interested parties of its cooperation as they seek to transform the lives of the people by leveraging the extractive resources that the Almighty has so graciously endowed us with. (*Appendix IV-Full remarks*)

3.6 Remarks on behalf of Oil/Gas Companies

Mr. Kevin Quinn of Tullow Oil Ghana Limited mentioned that his company is yet to produce oil however they will give the process the needed support to ensure that the solid achievements of the initiative in mining will be repeated in the oil/gas sector to.

3.7 Remarks by Civil Society Organization

Dr. Steve Manteaw who was programmed to make some remarks on behalf of Civil Society Representative was unable to attend and therefore no remarks were made on their behalf.

4.0 Composition of Expanded GHEITI NSC

The new membership of the expanded National Steering Committee is made up of:

- | | |
|--------------------------|---|
| 1. Mr. Franklin Ashiadey | Ministry of Finance and Economic Planning |
| 2. Mr. Roger Angsomwine | Office of the Vice President |

| | |
|-------------------------------------|---|
| 3. Mr. Wayo Abubakari | Office of the President |
| 4. Mr. Sulemanu Koney | Ghana Chamber of Mines |
| 5. Ms. Victoria Benson | Ministry of Finance and Economic Planning |
| 6. Dr. Gad Akwensivie | Office of the Administrator Of Stool Lands |
| 7. Mrs. Philomena Johnson | National Catholic Secretariat |
| 8. Mr. J.Y. A. Appiah | Ministry Of Energy |
| 9. Ms. Sheila Naah | Ministry of Finance and Economic Planning |
| 10. Mr. J.B. Okai | Ministry Of Energy |
| 11. Mr. B.C.D. Ocansey | Ghana Revenue Authority |
| 12. Hon. Kobina Pra Annan | Sekondi-Takoradi Metropolitan Assembly |
| 13. Dr. Steve Manteaw | Publish What You Pay-Ghana |
| 14. Mr. Chris Afedo | Ghana Revenue Authority |
| 15. Mr. AmponsahTawiah | Minerals Commission |
| 16. Mr. Sam Addo Nortey | Ghana National Petroleum Corporation |
| 17. Mr. Kevin Quinn | Tullow Oil Ghana Limited |
| 18. Mr. Dela Klubi | Ghana Revenue Authority |
| 19. Mr. Frank Turkson | Ghana Manganese Company |
| 20. Mr. Ellis P. Atiglah | Ministry of Lands and Natural Resources |
| 21. Mr. Duodu A. Acheampong | Jomoro District Assembly |
| 22. Mrs. Hannah O. Koranteng | WACAM |

{ Names/Institutions in bold represents the added members }

5.0 Closing Remarks

In a conclusion, the National Coordinator thanked all for coming for this very important event and assured the Committee that the Secretariat will work effectively with them to achieve the goals of GHEITI.

Appendices

Appendix II

REMARKS BY THE HON. MINISTER OF LANDS AND NATURAL RESOURCES, ALHAJI COLLINS DAUDA (MP) AT THE INAUGURATION OF THE EXPANDED GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (GHEITI)

NATIONAL STEERING COMMITTEE (NSC)

HELD AT MOFEP CONFERENCE ROOM, SEPTEMBER 8, 2010

Hon. Colleague Ministers,

Members of the Expanded GHEITI National Steering Committee,

Distinguished Guests,

Friends from the Media,

Ladies and gentlemen,

I am very pleased for the opportunity to make some few remarks at this important function.

Mr. Chairman, the progress of EITI over the years is noteworthy. I can say with some amount of confidence that Ghana has been operating with systems that are fairly transparent. Ghana's adoption of the EITI is therefore to re-emphasize her good governance principles. Without transparent and accountable governance based on rule of law and checks and balances, reforms aimed at improving our peoples lives would not work.

Government has clearly demonstrated its commitment to the principles of EITI, by putting in place this Committee, and I wish to commend the preceding National Steering Committee for their National sensitisation and educational efforts and in helping to bring the EITI implementation this far.

I am also happy to note that EITI execution in Ghana has actually extended beyond the original concept and is particularly being implemented at the District level as well.

My belief is that making EITI succeed in Ghana 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.

We are therefore going beyond the issues of transparency to accountability to address the social issues in the mining communities. Citizens of mining communities should start taking the findings from the published GHEITI reports seriously and use them as the basis to demand accountable governance from the managers of royalty receipts.

It is worth mentioning that one of the activities of the Natural Resources and Environmental Governance (NREG) Programme is the development of guidelines on the use of mineral royalties by District and Municipal Assemblies. The final document is expected to be completed soon.

I will also urge the mining and petroleum companies to endeavour to be ever more transparent in the various aspects of their operations. By being very proactive in communicating with the communities especially about the state of affairs on the ground, is a sure way of insuring and improving peaceful co-existence with the communities near which they operate.

Beyond the inclusion of the oil and gas in the Initiative, I am hopeful that the proposed forestry sector's participation in GHEITI would be further looked at, to understand the extent to it could improve transparency beyond the objectives being achieved through the Voluntary Partnership Agreements (VPA) in the timber industry, which is currently operational.

I will end my comments by appealing to the NSC members to be totally down-to-earth in your discussions and to always bring up recommendations that will inform Government decisions on improving our extractive industries. We need your various experiences and collaborative efforts to ensure that total transparency in the industry exists from the day that mining and petroleum rights are granted to the last day that environmental restoration is completed.

Collectively, let us bring to the people the much desired development outcomes for a better Ghana and a win-win situation for all stakeholders in the extractive sector.

I thank you all, and may the Almighty Allah bless our efforts.

Appendix III

**WELCOME ADDRESS BY THE HONOURABLE MINISTER OF
FINANCE AND ECONOMIC PLANNING-HON. DR. KWABENA
DUFFUOR AT THE INAUGURATION OF THE GHEITI NATIONAL
STEERING COMMITTEE (NSC)**

Colleague, Ministers

Members of the GHEITI NSC

Nominees

Distinguished Ladies and Gentlemen

Good Morning and welcome to the Ministry of Finance and Economic Planning.

As you all know Ghana is now at the cross roads of becoming an oil and gas producing country and indeed production will start in the last quarter of this year. Government therefore recognizes the Extractive Industries Transparency Initiative (EITI) as an important tool for ensuring transparency and accountability in the management of our expected oil and gas revenue. It is in this regard that Cabinet has approved the extension of the EITI principles to the oil and gas sector. This means that the oil and gas sector stakeholders must be brought on board the Ghana EITI. There is therefore the need to expand the existing EITI National Steering Committee to include the oil and gas sector stakeholders.

So we are here today to inaugurate the expanded Ghana National EITI Steering Committee. I have been informed that in addition to the mining sector stakeholders on

the National Steering Committee we now have representation from the Ministry of Energy, GNPC, Tullow Ghana Ltd. Civil Society oil/gas platform, Jomoro District Assembly and Sekondi/Takoradi Metropolitan Assembly on the new Ghana EITI Steering Committee.

As you are aware Ghana EITI has over the past six years undertaken a lot of activities to promote transparency and accountability in our mining industry. Let me therefore take this opportunity to commend the members of the old National Steering Committee for their hard work, dedication and commitment to the cause of the Ghana EITI and thereby bringing the Ghana EITI thus far. Through your efforts Ghana has gained international recognition as the first country to apply the EITI principles to the mining sector. We are very confident that the EITI implementation in the oil gas sector will benefit from the lessons learnt in the EITI implementation in the mining sector.

As a government the principles of EITI supports our efforts to promote good and accountable governance in the public sector. The value EITI can add to this effort can be enhanced if its fundamental role of publishing or putting accurate information in the public domain is done in a timely manner. As we move into the oil and gas sector, we expect timely and accurate information to enable us address systemic problems promptly.

Ladies and gentlemen, through the EITI reporting process, the revenue accruing to government from the extractive sector would be well documented and publicly disclosed. Knowing how much money is coming to government from different sources is a necessary first step in ensuring adequate oversight and accountability of how the resources are being managed. The public disclosure of these would allow for greater scrutiny of how revenues are being used and provides an important base for government and public debate on the management of our public finances.

As you take up the challenge of adding on issues of oil and gas to the scope of the Ghana EITI your mandate and responsibility will widen. You will be expected among many other things to;

- Formulate policies, programmes and strategies for the effective implementation of the objectives of the EITI.
- Monitor and ensure that key findings/recommendations from annual aggregation/reconciliation of extractive sector receipts and payments exercise are implemented within one year after issuance of the reports;
- Ensure due process and transparency in the payments made by all extractive industry companies to the Government of Ghana and statutory recipient.

The details of the roles and duties of the expanded National Steering Committee can be found in the approved framework for the extension of the EITI to the oil and gas sector. I therefore encourage you all to familiarize yourselves with the full content of the framework.

Before I conclude, let me once again thank members of the Mining EITI National Steering Committee for their commitment and dedication to the EITI process so far. Without your efforts and contributions we would not have come this far.

I also wish to use this opportunity to commend my team from the Ministry of Finance and Economic Planning and other colleagues from Ministry of Energy (MoEn), Civil Society Organizations (CSOs) and the Mining Companies who have worked tirelessly to ensure the successful take off of this activity.

Finally, I wish to congratulate all the nominees on their nomination to serve on the Ghana EITI National Steering Committee. I know you would bring to bear on the work of the Committee years of rich and varied experience. I wish to entreat you all to play an active role on this Committee. Finally for our colleagues who have to travel long distance to attend meetings please don't drop off on the way. We need the collective views of all stakeholders in our deliberations. I wish to entreat all members who represent a wider constituency to ensure that proper channels of communication exist to effectively disseminate the outcome of all meetings.

On this note I wish to pronounce this Committee duly constituted and inaugurated.

Thanks you.

Appendix IV

REMARKS BY MR. SULEMANU KONEY, THE GHANA CHAMBER OF MINES AT THE INAUGURATION OF THE EXPANDED GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (GHEITI) NATIONAL STEERING COMMITTEE (NSC) HELD AT MOFEP CONFERENCE ROOM ON 8TH SEPTEMBER, 2010

Mr. Chairman

Members of the Steering Committee

The Media

Ladies and Gentlemen,

It gives me much pleasure to be a part of this ground-breaking event that will see the expansion of the GHEITI Steering Committee to include representations of the oil industry.

I recall sometime in June 2003 when the Chamber co-organised the first workshop

on EITI with the Ministry of Mines. Little did we know that the EITI will be the

global standard for good governance that it has assumed today. Since that fateful day the Chamber of Mines has continued to be an intrinsic part of the international conferences as well as local workshops and meetings that I dare say has catapulted Ghana's EITI to a high pedestal.

Mr. Chairman, I will however add that we should be proud that Ghana has played a pivotal role in getting EITI to assume this enviable position. As it is well known, the EITI was originally fashioned for the oil sector, but deploying ingenuity and enterprise, Ghana's EITI team did not only adapt the principles of EITI to the mining sector but also blazed the trail to extend the EITI to the sub national level. In that regard, Ghana's EITI also referred to as GHEITI, took transparency and good governance to the Municipal and District Assemblies in whose jurisdiction mining takes place. Interestingly, a number of years after this innovation, the International EITI Secretariat has adopted this novelty.

Mr. Chairman it is interesting to note that with the expansion of the scope of the EITI to cover the oil sector, Ghana will be the first country whose EITI encompasses both Oil & Gas and mining.

As a key supporter and advocate of EITI, and given its strong belief in transparency as a critical component of good governance, the Chamber will continue to champion the course of GHEITI. Indeed transparency is one of the six values that guide the Chamber in its drive towards the achievement of its mission and vision.

The importance of transparency to the Chamber is underscored by the industry's agreement for the Terms of Reference of the GHEITI aggregator to be expanded to cover both a financial and a detailed process audit of the operations of the mining companies.

To conclude, the Chamber wishes to rededicate itself to the cause of the GHEITI, and to assure interested parties of its cooperation as we seek to transform the lives of our people, by leveraging the extractive resources that the Almighty has so graciously endowed us with.

May God bless us all.

List of participants

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|-----------------------------|---|-----------------|
| 1. Hon. Kwabena Duffour | - | Minister, MoFEP |
| 2. Hon Alhaji Collins Duada | - | Minister. MLNR |
| 3. Hon. Sherry Ayittey | - | Minister, MEST |

- | | | |
|-----------------------------|---|---------------------------------|
| 4. Hon. Emmanuel Armah Buah | - | Deputy Minister, MoEn |
| 5. Hon. Kobina Pra Annan | - | Sekondi-Takoradi Municipal Ass. |
| 6. Mr. Franklin Ashiadey | - | MoFEP |
| 7. Mr. Sulemanu Koney | - | Chamber of Mines |
| 8. Mr. Kevin Quinn | - | Tullow Oil Ghana Limited |
| 9. Mr. Chris Afedo | - | Ghana Revenue Authority |
| 10. Mr. Wayo Abubakari | - | Office of the President |
| 11. Mr. J.Y.A Appiah | - | Ministry of Energy |
| 12. Mr. Dela Klubi | - | Ghana Revenue Authority |
| 13. Ms. Sheila Naah | - | MoFEP |
| 14. Mr. Ellis P. Atiglah | - | MLNR |
| 15. Mr. B.C.D. Ocansey | - | Ghana Revenue Authority |
| 16. Mr. Eric Cab-Beyuo | - | MoFEP |
| 17. Mr. J.B. Okai | - | Ministry of Energy |
| 18. Mr. M.B. Abdul Razak | - | MoFEP |
| 19. Mrs Cecilia Akwetey | - | MoFEP |
| 20. Mr. Duodo Acheampong | - | Jomoro District Assembly |
| 21. Mr. Frank Turkson | - | Ghana Manganese Company |
| 22. Dr. David Nguyen-Thanh | - | GTZ |
| 23. Mr. Allan Lassey | - | GTZ |
| 24. Press | | |