

Report on GHEITI National Steering Committee End of Year Retreat

Forest Hotel, Dodowa, Accra

26th -28th November, 2014

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EXECUTIVE SUMMARY

The Ghana Extractive Industries Transparency Initiative Secretariat (GHEITI) organized a retreat for its National Steering Committee (NSC) members to review, validate and finalize the various activities the Secretariat intends to undertake for the coming year. The NSC is the governing body of the GHEITI chaired by the Chief Director of Ministry of Finance. The NSC represents broad key players in the mining, oil & gas sectors and civil society actors responsible for the smooth and holistic implementation of the EITI in Ghana.

The specific objectives of the retreat were:

- To undertake a review of 2014 EITI Programs;
- To discuss the 2015 GHEITI Draft Work Plan;
- To revise the GHEITI Communication Strategy;
- To develop a Roadmap for Consultation on the draft GHEITI Bill; and
- To assess GHEITI's readiness towards the 2015 EITI Validation

The retreat consisted of two sessions with introductory comments followed by working group discussions and reporting back to plenary. The first session reviewed the final draft of the 2012/13 GHEITI Mining and Oil & Gas reports and the second session focused on GHEITI's plans and programs for 2015 and a review of its communication strategy.

Participation

Participants included representatives of the NSC from Ministry of Energy, Ministry of Lands and Natural Resources, Minerals Commission, Petroleum Commission, GNPC, Oil & Gas Exploration and Production Forum, Chamber of Mines, Civil Society Organizations and the Ministry of Finance as the Coordinating Ministry.

Recommendations

Below are some recommendations that cut across the day's discussions.

- The GIZ consultant working on the EITI Impact Assessment report should be pursued to expedite work on the document to help support the validation process of the GHEITI

- The communication sub-committee is to develop the policy briefs and factsheet from the 2012/13 GHEITI mining and oil & gas reports which should target specific audience
- GHEITI to constitute a delegation to engage the Attorney General's department and other government functionaries on the EITI Bill
- The five (5) member committee constituted at the workshop are to update the GHEITI Revised Institutional Framework and to ensure the successful implementation of the TOR for Validation in 2015

Opening Remarks

The workshop was chaired by Dr. Steve Manteaw (Convener of PWYP) who moved for the adoption of the agenda for the retreat. He emphasized the objectives of the meeting and called on members to participate and contribute dispassionately for a successful event. He expressed that the review of the 2012/13 GHEITI reports should focus on the new changes that has been made and implored members to note their observations for further discussions and agreements.

Session 1

1.0 Overview of 2014 Work Plan

The year 2014 witnessed successful implementation of most of GHEITI's planned programs and activities. Significant among these are:

- The successful recruitment of a consultant to produce the 2012/13 EITI reports. The reports were successfully completed with the expectation for it to be launched before the year ends;
- Successful completion of draft GHEITI Bill
- Successfully engaged stakeholders especially MMDAs in the mining areas , Ministry of Local Government and Rural Development, Ministry of Lands and Natural Resources and some members of Parliament on the guidelines for the utilization of mineral royalties at the sub national level to enhance development outcomes at the;
- A sensitization workshop was organized for the three (3) Northern Regions to create GHEITI awareness and increase coverage in new mining regions;
- Capacity building programs were organized for NSC members on the new EITI Standards. Also GHEITI stakeholders at the Districts were trained on the SAP web based reporting system and
- Training was organized by GIZ on EITI

There are however some outstanding activities such as sensitization workshop on the draft EITI Bill for members of Parliamentary select Committee on Mines and Energy and organizing an official launch of the 2012/13 EITI reports that the committee hopes to implement before the year ends. The GIZ is to furnish the committee with the draft EITI impact assessment report covering a decade of EITI implementation in the country.

1.1 Review of Draft Mining and Oil & Gas Reports for 2012/13

1.1.1 Status of the Reports

A draft of the 2012/13 Mining and Oil & Gas reports was presented to members for final review. It is expected that a final draft will be made available by 5th December, 2014 after which a Technical roundtable discussion will be held on the 11th of December 2014.

1.1.2 Oil & Gas Report Review

Members were generally impressed about the high quality and standard of the report. The following observations and recommendations were made for inclusion in the final report.

- 1) Under the Executive Summary section, members agreed for the Administrator to improve on the findings and recommendations in the report. This should be guided by the EITI terms of reference.
- 2) The Consultant should highlight the tax implication of the Sabre Oil Petroleum Sales Agreement under Change of Ownership.
- 3) Members were of the view that the Consultant should be explicit on equity financing in the petroleum sector revenue flow chart on page 27.
- 4) It was further agreed that the report should include information on marketing arrangement specifically the off-taker agreement between GNPC and UNIPACK. In addition GNPC is to provide a summary of the aforementioned agreement to the Administrator.
- 5) On the issue of 'achieve price' comparism between GNPC and its partners, it was decided that:
 - The Consultant should provide contextual background about the basis of comparism; and
 - Include a footnote on fig 3.2. on page 47 to properly contextualize the basis of comparism
- 6) The report should provide recommendations on how to avoid the discrepancies which arise out of the use of different accounting methods between GNPC and GRA revenue data.

1.1.3 Mining Report Review

Participants identified a number of gaps and omissions in the report. The table below highlights the observations made and concerns raised for consideration into the final report.

Table 1 – Comments on Mining Report

Page No	Comments
2	<ul style="list-style-type: none"> ▪ The group was of the view that the status of Noble Mining Company should be indicated in the report. Further it should provide a clear statement that as a result of the company undergoing care and maintenance data and information access was a challenge. Include a footnote explaining the status of the Company. ▪ The location of Golden Star Resources in Bogoso should be included under the list of participants for 2012/13 reconciliation
4	Under the results for reconciliation, observation and reconciliation, there is a typo gap in the amount of GHS 3,100,577 net discrepancy recorded for 2013. The gap should be deleted
10	<ul style="list-style-type: none"> ▪ 75% Initial Capital Allowance should be changed to 80% ▪ The Investment Allowances should also be changed to Upliftment Allowances
15	<ul style="list-style-type: none"> ▪ Under Fig 2.1 Revenue flow in the mining sector, the percentage share of royalties from OASL to Traditional Authorities, Stools and District Assemblies should be captured ▪ The Consultant should use different colors to illustrate the distribution of mineral royalties and also provide narratives to explain the revenue flow chart
16	Newmont Golden Ridge Resources Ltd should be changed to Newmont Golden Ridge Ltd
24	As at the review of the report Preastea Sankofa had outstanding balances on royalty payment for 2012 and 2013.
33	Article 256 (1) of the 1992 Constitution should be quoted as an additional reference
34	The source for Table 4.2 should be stated
34&35	Table 4.2 on page 35 and Table 4.6 on page 45 splits into their next pages. They should be fitted on one page each. Also Table 4.9 on page 50 should be printed on an A3 for easy reading
41	The last sentence should read "Investment in the mining sector are indicated in Fig 4.3 and Table 4.4 below.
45	The source for Table 4.6 should be stated
50	Table 4.9 should be expanded to include the shareholding structure/names of persons who own the shares otherwise indicate not disclosed. For companies trading on the stock exchange their reference numbers should be indicated. Further there should be a heading for Beneficial Ownership in the report with the required information provided on the participating companies
52	<ul style="list-style-type: none"> ▪ The report should provide explanation for the non-payment of Ground Rent in 2012/13
59	The report should indicate why Golden Star Resource Wassa Ltd did not pay corporate tax in 2012
61	Table 5.5 Cash Cost of Mines should be deleted. The issue of cash cost should be subjected to further engagement with industry to enable standard reporting on cost by companies
65	Manganese production 2012/13 should change to manganese export 2012/13

In addition to above the Consultant should fully incorporate comments in respect of the discussion of the first draft report on 4th November 2014. The outstanding issues as expressed by the Consultant

generally relates to capital allowance. Members were of the view that the report should provide full cost including capital allowance to provide a basis for comparism.

Session 2

During the second session, members were tasked to review GHEITI's communication strategy, the terms of reference for validation in 2015 and the planned activities for the coming year.

2.0 Review of Validation Terms of Reference (TOR) for 2015

In June 2010, GHEITI undertook its first validation and a second is anticipated for the coming year. To assess its readiness for the exercise the NSC reviewed the 2015 TOR to identify the gaps and make recommendations on improving them.

2.1 Action Plan

1) To hire a pre-validator to assist in the initial validation process using the EITI validation TOR

2) To present draft model template for validation reports in 2015

3) The pre-validation process is to be funded by GIZ through technical and financial assistance

4) GHEITI Revised Institutional Framework (RIF)

- **To set up a five (5) member committee to review and update the 2010 RIF. The members nominated were Mr. Samuel Addo-Nortey, Mr. Franklin Ashiadey, Mr. Amponsah Tawiah, Mrs. Philomena Johnson and Dr. Steve Manteaw.**

- **Incorporate the current GHEITI 2014 Bill into the RIF**

5) GHEITI to engage all relevant stakeholders (CEOs and two senior officials) in early 2015 to discuss data and information collection and EITI disclosure policies. This is to be supported by GIZ and Petroleum Commission.

6) To draft civil society protocol in line with the Validation TOR

2.2 2014 GHEITI Reporting

Mining and Oil & Gas sector reports should reflect all the requirements in EITI TOR

- Government disclosure policy on contracts
- GHEITI Bill
- Gap Analysis – Implementing the 2013 EITI Standard in Ghana (Gap Analysis and Recommendation) report by Natural Resource Governance Institute

The gaps identified in the pre-validation report would be used to fill in the TOR for GHEITI reports for 2015.

2.3 Review of GHEITI's Communication Strategy

For effective communication to be realized, the target audience needs to be clearly identified. Each audience has its own unique characteristics and therefore different communication strategies need to be adopted for efficiency. Table 2.0 (Annex 1) presents recommendations made to form an update to the GHEITI's communication strategy.

The idea of developing factsheets and policy briefs about EITI and the 2012/13 report relative to each community/region and the target audience was widely accepted by members. A three (3) member committee is to be constituted to develop the factsheet and policy briefs.

2.4 Review of Draft 2015 Work Plan

Members reviewed the draft program and activities for the coming year. Comments and inputs are provided in Table 4.0 in Annex 2.

2.5 Roadmap for Consultation on Draft GHEITI Bill

In its bid to deepen and ensure the enforcement of transparency and accountability in the resource sector, the NSC has developed a draft EITI Bill for passage into law. There is a need to structure an engagement process to consult the relevant stakeholders to push for its final passage by the end of 2015. Members agreed on the following:

1. *To undertake a nationwide stakeholder consultations across three (3) zonal regions – Southern (Ashanti, Brong Ahafo and Eastern), Northern (Upper East, Upper West and Northern Regions) and Middle (Western, Central and Volta Regions);*
2. *A delegation will be constituted to engage the Attorney General's department and other leading government functionaries to build consensus for the Bill;*
3. *To develop a funding proposal for the consultations; and*
4. *To commence the consultations in January 2015, finish in March and present the Bill to Cabinet latest by April, 2015.*

Table 2.0 Draft Roadmap for Nationwide Consultations

ACTIVITY	TIMELINES	RESPONSIBILITY	BUDGET
Develop proposal for funding	December	GHEITI Secretariat	
Southern Zone	Jan-15	NSC	
Middle Zone	Feb-15	NSC	
Northern Zone	Mar-15	NSC	

2.6 Concluding Remarks

The Chairman, Dr. Steve Manteaw expressed his appreciation to members for their active participation and hoped that going forward, members will apply the same zeal and momentum to see a successful launch of the report before the end of the year 2014. He was optimistic that Ghana's report will stand out and again place the country on a high pedestal within the international arena.

ANNEX 1

Table 3.0 Inputs into GHEITI Communication Strategy

Target Group	Activity	Message Format/Medium	Tools	Budget
Host Communities	1.) Develop graphical /illustrative presentation of findings of report and fact sheets for specific communities	1.) Develop graphical /illustrative presentation of findings of report and fact sheets for specific communities	1.) Develop graphical /illustrative presentation of findings of report and fact sheets for specific communities	
CSOs in the Extractives	1) Organize workshops 2) Popular versions (News paper version) 3) Develop news letters	Workshops, Radio and TV discussions	Highlights of the report Use flyers/Stickers	
Policy Makers	1) Panel discussions on Radio/TV 2) Dialogue sessions on the report 3) Develop news letters	Interactive sessions and moderated by an independent person	Briefing Papers	
MMDAs	1) Develop policy briefs 2) Develop news letters	Policy briefs on issues from the report that relate to the work	Policy Briefs Fact sheets	
Traditional Authorities	1) Produce radio features 2) Develop news letters	Community Radio	Radio Features	
Students/Youth/Academia	1) Seminars & technical workshops to discuss EITI reports 2) Develop news letters	Workshops	Flyers, newsletters	

Media	1)Organize training for the training of trainers of institutions of finance economist journalist, Ghana Network of Extractive Journalist 2)Develop news letters	Workshops and Seminars	Fact sheets, GHEITI reports	
International Community	1)Blogs (Lessons learnt, Impact of GHEITI) 2)Sharing the GHEITI report in English 3)Develop a French version of the Executive Summary and publish them on the website	GHEITI Website Community of Practice Platform	Website	
Organize GHEITI week to educate the public, have meet the press, print T-shirts and stickers to distribute to the public during the event				

Annex 2

Table 4.0 - 2015 Work Plan

NO	ACTIVITY/ACTION	RESPONSIBILITY	TIMELINE	EXPECTED OUTPUT	COST GHC	SOURCE OF FUNDING	EXPECTED OUTCOME
OBJECTIVE ONE: REVENUE MANAGEMENT							
1	Write to all institutions affected by the findings and recommendations of the 2012/2013 EITI reports to implement recommendations	GHEITI Sec	Jan -March	Report on the implementation status of the 2012/2013			Recommendations implemented to enhance transparency
2	Follow-up with periodic meetings with the head of affected institutions to ensure implementation of the recommendations from the 2012/2013 EITI reports	GHEITI Sec/MSG	– June November	Action points from the meetings	20,000	GOG	Inform policy
3	Set up a cross sectoral Committee to revise minerals royalty utilization guidelines for MMDAs and pilot the guidelines in 4 mining Districts	GHEITI Sec/MSG/MC	January- June	Guidelines revised adopted	80,000	GOG	Utilization of mining royalty according to the adopted guidelines(Good Governance in revenue management)
4	Communicate with agencies to assist with transfer pricing GRA, ISODEC, Audit firms, revenue watch.	GHEITI Sec.	April- June	Issues on extractive sector transfer pricing identified	50,000	GOG	
OBJECTIVE 2: ENHANCE CITIZEN PARTICIPATION IN DECISIONS AROUND RESOURCE EXTRACTION ALONG THE VALUE CHAIN							
5	Produce Newsletters	GHEITI Sec/MSG	Jan- Dec.	Newsletters	70,000	GOG	Increase access to GHEITI Information

6	Publication of the findings and recommendations of the 2012/2013 EITI Reports in the major newspapers	GHEITI Sec	January /February		30,000	GOG/GIZ	Increase awareness on the findings and recommendations
7	Initiate the Procurement process and recruit a Consultant to produce 2014 EITI Reports for Mining and oil and gas	GHEITI Sec/MSG	Feb- July	Consultants/Firm selected		GOG	Work on the production of the 2014 report begins
8	Organize sensitization programme for the media(Journalists in the extractive sector) on the 2012/2013 GHEITI (sensitization	GHEITI Sec/MSG/GIZ	May	Media well informed on the EITI	50,000	GIZ	Increased coverage of the 2012/13 Reports GHEITI Reports in the Media
9	Organise Stakeholders' workshop to disseminate the findings of the scoping study to incorporate ASM into the GHEITI	GHEITI Sec/MSG	May-June	Stakeholders workshop held and findings of the scoping Report disseminated	80,000	GOG	Information available to make decision on ASM
10	Organize 5 EITI stakeholders workshops in Greater Accra, Ashanti, Brong Ahafo , Western and Eastern Regions to disseminate the findings and recommendations of the 2012/2013 GHEITI Reports	GHEITI Sec/MSG	Jan. – July	Workshop Reports	200,000	GOG	Awareness created on the GHEITI Reports
11	Organize community fora on the findings and recommendations of the 2012/2013 GHEITI Reports in Obuasi, Kenyasi, Tarkwa, Jomoro	GHEITI Sec/MSG	Jan. – July	Workshop Reports	60,000	GOG	Communities in the mining and oil and gas catchment areas sensitized
12	Organize dissemination workshop on the findings and draft EITI bill recommendations	GHEITI Sec/MSG	Jan- March	Workshop Reports	100,000	GOG/GIZ	Parliamentary Select Committees sensitized on the findings and

	of the 2012/2013 GHEITI Reports for the Parliamentary Select Committees of Mines and Energy, Public accounts and Finance						recommendations of 2012/2013 EITI reports
13	GHEITI engagement with the Public Universities (UMAT, UG, KNUST UDS, College of education and colleges within the mining communities) ie sensitization workshop for the students	GHEITI Sec/MSG	March-August	Workshop reports	140,000	GOG	GHEITI awareness created amongst the students
14	Organize GHEITI sensitization and dissemination workshop in Bolga for the three (3) Northern Regions, Volta region and Central region to create GHEITI Awareness and create increase coverage in the new regions	GHEITI Sec/MSG/GIZ	June 24-27	Workshop organized and Northern Region sensitized	70,000	GOG	Increase awareness and coverage
15	Undertake the production of the 2014 EITI Reports	GHEITI Sec/MSG/ Selected Consultancy Firm	May – July December	2014 EITI Reports	600,000	WB-TF	Information available of receipts and payments
16	Organize key stakeholders (including Parliament, DPs, , CSOs, Companies, Student Loan Trust Fund) meeting to discuss GHEITI impact evaluation report	GHEITI Sec/MSG/GIZ	Jan - March	Workshop Report	80,000	GOG/GIZ	GHEITI Sec/MSG/GIZ
OBJECTIVE 3 : INSTITUTIONALISATION OF THE GHANA EITI AND STRENGTHENING NATURAL RESOURCE GOVERNANCE							
17	Consultative Group meeting on the GHEITI Draft Bill with Govt. CSOs, oil and gas companies and mining companies	GHEITI Sec/MSG/GIZ	January - April	Stakeholders sensitized on the draft Bill	50,000	GOG	GHEITI bill ready for parliament

18	Liaise with AG's department to draft GHEITI Bill	GHEITI Sec/MSG	June	Bill Drafted	30,000	GOG	
19	GHEITI Retreat for Steering Committee Members	GHEITI Sec/MSG	December		80,000	GOG	
OBJECTIVE 4: CAPACITY BUILDING FOR GHEITI SECRETARIAT AND NATIONAL STEERING COMMITTEE MEMBERS							
20	Organize a workshop for Steering Committee Members on the Petroleum Local Content and Participation Regulations, 2013 and the Petroleum Exploration and Production Bill	GHEITI Sec/MSG/GNPC	March	NSC members trained in the New Standard	50,000	GOG	NSC members capacity in the New standard enhanced
21	Ensure Ghana's Participation in key EITI international Conferences and Seminars	GHEITI Sec/MSG/	January - December	Participation Reports	50,000	GOG	GHEITI abreast with International Best Practices in ensuring transparency
22	Host the Ethiopian EITI Delegation	GHEITI Sec/MSG	January – Feb	Study Tour Report	5,000	GOG	Exchange of EITI Implementation Experience
23	Organize a study tour for some members of the National Steering Committee members to Timor Leste/ Indonesia	GHEITI Sec/GIZ	June – August	Study tour report	50,000	GIZ/GOG	GHEITI/NSC Members capacity enhanced
24	Train GHEITI stakeholders at the Districts in the SAP web based reporting system	GHEITI Sec/MSG/IT staff	January-June	Report of the training	70,000	GOG	Stakeholders capacity enhanced
25	Train 3 GHEITI NSC Communication Sub- committee members in communication skills and advocacy	GHEITI Sec/GIZ	January-December	Report of the training	40,000	GOG/GIZ	Enhanced capacities
26	Train six (6) Steering Committee Members in courses relevant to	GHEITI Sec/MSG/GIZ	September-October	NSC members trained in oil and	60,000	GOG	capacity enhanced for members of the

	Natural resources management in Ghana in oil /Gas Accounting/ finance and Contract			gas management			Steering Committee
27	Train two (2) IT Staff in Systems Administration of SAP software	GHEITI Sec/GIZ	September-December	Two (2) IT Staff trained in SAP software	30,000	GIZ/GOG	SAP IT Staff capacity enhanced in Systems Administration
28	Strengthening the Ghana EITI Secretariat (logistics/equipment, etc	GHEITI Sec	Jan.- Dec.	GHEITI Sec. well-equipped and resourced	100,000	GOG	Promote good governance
	TOTAL				2,245,000.00		

