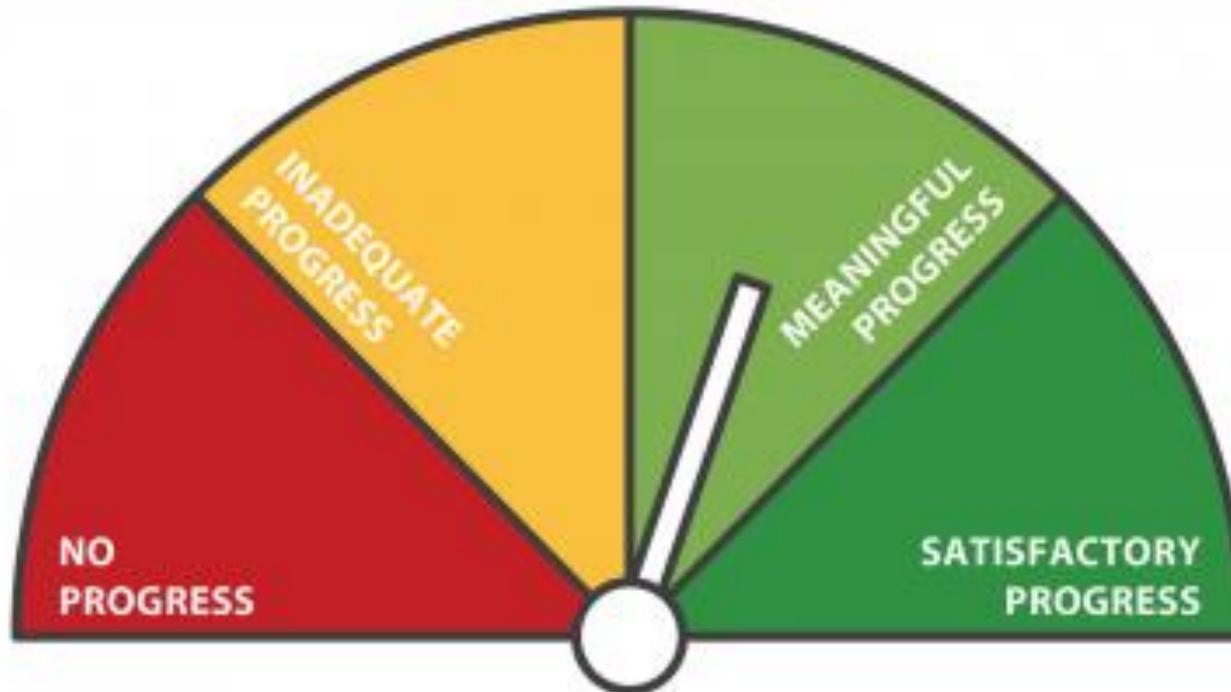


PRESENTATION ON THE 2016 EITI VALIDATION OF GHANA EITI



Dr. Steve Manteaw

Stakeholder's Forum on the Final **EITI Validation Report
Coconut Groove Regency Hotel, Accra, April 20, 2017**

VALIDATION TIMELINE

- The EITI Board agreed on a schedule to assess all countries against the 2016 Standard by January 2019.
- Fifteen Validations including Ghana began in 2016. The first Validation – **Azerbaijan** – was finalized in October 2016.
- Validations of **Ghana, Nigeria, Mongolia, Peru and Timor-Leste** have been completed. All five countries were deemed to have made “meaningful progress” in meeting the EITI Standard, and the Board agreed corrective actions.

THE VALIDATION OVERVIEW

The Validation was conducted along seven (7) thematic areas, listed below:

- 1. MSG Oversight**
- 2. Licenses and Contracts**
- 3. Monitoring Production**
- 4. Revenue Collection**
- 5. Revenue Allocation**
- 6. Socio-Economic Contribution**
- 7. Outcomes and Impacts**



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RATING

SEVEN POINT RATING SYSTEM

1. The Country has **made no progress** in meeting the requirement
2. The Country has **made Inadequate progress** in meeting the requirement
3. The Country has **made progress** in meeting the requirement
4. The Country **is compliant** with the EITI requirement
5. The Country **has gone beyond** the requirement
6. This requirement is **only encouraged or recommended** and not taken into account in assessing compliance
7. Requirement **not applicable** to the country

CATEGORY 1: MSG OVERSIGHT

		LEVEL OF PROGRESS				
REQUIREMENT						
1	Government Engagement (#1.1)					
2	Industry Engagement (#1.2)					
3	Civil Society Engagement (#1.3)					
4	MSG Governance (#1.4)					
5	Work plan (#1.5)					

	NO PROGRESS		INADEQUATE PROGRESS		MEANINGFUL PROGRESS
	SATISFACTORY PROGRESS		BEYOND		ENCOURAGED NOT MANDATORY
	NOT APPLICABLE TO COUNTRY				

CAT. 2 – LICENSES & CONTRACTS

	REQUIREMENT				
1	Legal Framework (#2.1)				
2	License Allocation (#2.2)				
3	License Register (#2.3)				
4	Policy on Contract Disclosure (#2.4)				
5	Beneficial Ownership (#2.5)				
6	State Participation				

	NO PROGRESS		INADEQUATE PROGRESS		MEANINGFUL PROGRESS
	SATISFACTORY PROGRESS		BEYOND		ENCOURAGED NOT MANDATORY
	NOT APPLICABLE TO COUNTRY				

CAT 3: MONITORING PRODUCTION

		LEVEL OF PROGRESS				
		Red	Yellow	Light Green	Green	Blue
	REQUIREMENT					
1	Exploration Data (#3.1)				Green	
2	Production Data (#3.2)			Light Green		
3	Export Data (#3.3)			Light Green		

Red	NO PROGRESS	Yellow	INADEQUATE PROGRESS	Light Green	MEANINGFUL PROGRESS
Green	SATISFACTORY PROGRESS	Blue	BEYOND	Grey	ENCOURAGED NOT MANDATORY
Black	NOT APPLICABLE TO COUNTRY				

CAT 4 – REVENUE COLLECTION

		LEVEL OF PROGRESS				
REQUIREMENT						
1	Comprehensiveness (#4.1)					
2	In-Kind Revenue (#4.2)					
3	Barter Agreement (#4.3)					
4	Transportation Revenues (#4.4)					
5	SOE Transactions (#4.5)					
6	Direct Sub-National Payments (#4.6)					
7	Disaggregation (#4.7)					
8	Data Timeliness (#4.8)					
9	Data Quality (#4.9)					

	NO PROGRESS		INADEQUATE PROGRESS		MEANINGFUL PROGRESS
	SATISFACTORY PROGRESS		BEYOND		ENCOURAGED NOT MANDATORY
	NOT APPLICABLE TO COUNTRY				

CAT 5: REVENUE ALLOCATION

		LEVEL OF PROGRESS				
		Red	Yellow	Light Green	Green	Blue
	REQUIREMENT					
1	Distribution of Revenues (#5.1)				Green	
2	Sub-National Transfers (#5.2)				Green	
3	Revenue Management and Distribution (#5.3)	Grey	Grey	Grey	Grey	Grey

Red	NO PROGRESS	Yellow	INADEQUATE PROGRESS	Light Green	MEANINGFUL PROGRESS
Green	SATISFACTORY PROGRESS	Blue	BEYOND	Grey	ENCOURAGED NOT MANDATORY
Black	NOT APPLICABLE TO COUNTRY				

CAT 6: SOCIO-ECONOMIC CONTRIBUTIONS

		LEVEL OF PROGRESS				
REQUIREMENT		Red	Yellow	Green	Blue	Black
1	Mandatory Social Expenditures (#6.1)	Black	Black	Black	Black	Black
2	Discretionary Social Expenditure (#6.2)	Grey	Grey	Grey	Grey	Grey
3	SOE Quasi-Fiscal Expenditures (#6.3)	White	White	Green	White	White
4	Economic Contribution (#6.4)	White	White	White	Green	White

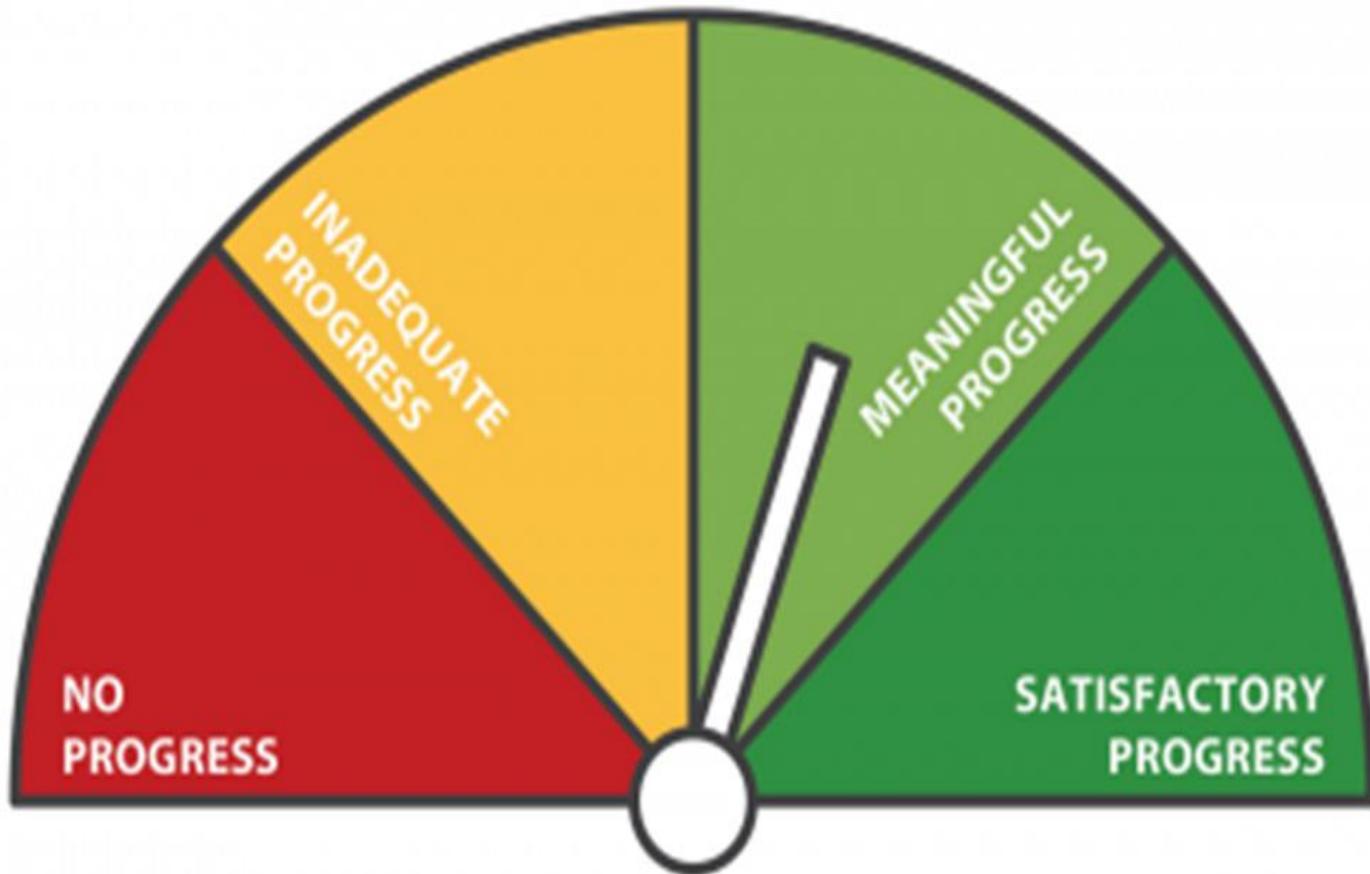
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Green	SATISFACTORY PROGRESS	Blue	BEYOND	Grey	ENCOURAGED NOT MANDATORY
Black	NOT APPLICABLE TO COUNTRY				

CAT 7: OUTCOMES AND IMPACTS

		LEVEL OF PROGRESS				
		Red	Yellow	Light Green	Green	Blue
REQUIREMENT						
1	Public Debate (#7.1)				Green	
2	Data Accessibility (#7.2)	Grey	Grey	Grey	Grey	Grey
3	Follow-Up on Recommendations (#7.3)				Green	
4	Outcomes and Impact of Implementation (#7.4)				Green	

Red	NO PROGRESS	Yellow	INADEQUATE PROGRESS	Light Green	MEANINGFUL PROGRESS
Green	SATISFACTORY PROGRESS	Blue	BEYOND	Grey	ENCOURAGED NOT MANDATORY
Black	NOT APPLICABLE TO COUNTRY				

OVERALL ASSESSMENT



CORRECTIVE ACTIONS AND RECOMMENDATIONS

- According to the **EITI** Board, Ghana will need to take some corrective actions. Progress with the corrective actions will be assessed in a second Validation commencing 8th March 2018.
- Failure to achieve meaningful progress with considerable improvements across several individual requirements in the second validation will result in **suspension**.

8 CORRECTIVE ACTIONS

1. In accordance with Requirement 2.3.b, Ghana is required to maintain a publicly available register or cadastre system(s) with the following timely and comprehensive information regarding each of the licenses pertaining to companies covered in the **EITI Report – (i) license holder(s) (ii) where collated, coordinates of the license area (iii) date of application, date of award and duration and (iv) in the case of production licenses the commodity being produced.**

THE CORRECTIVE ACTIONS

2. In accordance with Requirement 2.6 (a), Ghana's subsequent **EITI Reports must include an explanation of the prevailing rules and practices regarding the financial relationship between the government and state owned enterprises, eg. rules and practices governing transfer of funds between SOE's and the State, retained earnings etc.**

THE CORRECTIVE ACTIONS

3. In accordance with Requirement 3.2, Ghana must disclose production data for the fiscal year covered by the **EITI Report, including total production volumes and the value of production by commodity.**

Ghana should also confirm all existing production for all commodities for the year covered by the report

THE CORRECTIVE ACTIONS

4. In accordance with Requirement 3.3, Ghana must disclose export data for the fiscal year covered by the EITI Report including total export volumes and the value of exports by commodity.

Ghana should confirm all existing exports for all commodities for the year covered by the report

THE CORRECTIVE ACTIONS

5. In accordance with Requirement 4.1.a, the MSG is required to agree which payments and revenues are material and must therefore be disclosed, including appropriate materiality definitions and thresholds.

The MSG should document the options considered and the rationale for establishing the definitions and thresholds

THE CORRECTIVE ACTIONS

6. In accordance with **Requirement 4.2**, the government including state-owned enterprises are required to disclose the volumes sold and revenues received.

The published data must be disaggregated by individual buying companies and to levels commensurate with the reporting of other payments and revenue streams.

THE CORRECTIVE ACTIONS

7. In accordance with Requirement 4.5, the MSG must ensure that, the reporting process comprehensively addresses the role of SOE's including material payments to SOE's from oil, gas and mining companies and transfers between SOE's and other government agencies

THE CORRECTIVE ACTIONS

8. In accordance with Requirement 6.2, the MSG must include disclosures from SOE's on their Quasi-fiscal expenditures. The MSG is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE's subsidiaries and joint venture.

CONCLUSION

- Ladies and Gentlemen, you will agree that despite the achievements chalked by Ghana **EITI** in the just ended Validation Process, the tall list of corrective measures means that, a lot more effort needs to be put in to ensure that Ghana **remains compliant**.
- **This the MSG has taken due notice of and is ready to rise to the challenge.**



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For your audience