



2018 GHANA EITI ANNUAL PROGRESS REPORT



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LIST OF ABBREVIATIONS/ACRONYMS

A-G	-	Attorney-General
APR	-	Annual Progress Report
BO	-	Beneficial Ownership
BOD	-	Beneficial Ownership Disclosure
CEO	-	Chief Executive Officer
CSOs	-	Civil Society Organizations
CSR	-	Corporate Social Responsibility
CT	-	Commodity Trading
DAs	-	District Assemblies
EI	-	Extractive Industry
EITI	-	Extractive Industries Transparency Initiative
E&P	-	Exploration and Production
EPA	-	Environmental Protection Agency
FAFT	-	Financial Action Task Force
FIC	-	Financial Intelligence Centre
FPSO	-	Floating Production Storage and Offloading
GHEITI	-	Ghana Extractive Industries Transparency Initiative
GIMPA	-	Ghana Institute of Management and Public Administration
GIZ	-	German Development Cooperation
GOGIG	-	Ghana Oil and Gas Inclusive Growth
GNPC	-	Ghana National Petroleum Corporation
GRA	-	Ghana Revenue Authority
IA	-	Independent Administrator

IFEJ	-	Institute of Financial and Economic Journalists
ISODEC	-	Integrated Social Development Center
MDAs	-	Ministries, Departments and Agencies
MDF	-	Mineral Development Fund
MinCom	-	Minerals Commission
MMDAs	-	Metropolitan, Municipal and District Assemblies
MNLR	-	Ministry of Lands and Natural Resources
MoF	-	Ministry of Finance
MSG	-	Multi-Stakeholder Group
NRGI	-	Natural Resource Governance Institute
NOC	-	National Oil Company
OASL	-	Office of Administrator of Stool Lands
OGP	-	Open Governance Partnership
PIAC	-	Public Interest and Accountability Committee
PRMA	-	Petroleum Revenue Management Act
PWSC	-	People With Significant Control
PWYP	-	Publish What You Pay
RGD	-	Registrar General's Department
SDG	-	Sustainable Development Goals
SOEs	-	State Owned Enterprises
ToR	-	Terms of Reference
VRA	-	Volta River Authority
WG	-	Working Group
WSSD	-	World Summit for Sustainable Development

1.0 INTRODUCTION

Ghana has over the past decade witnessed improvement in the governance of its extractive sector with transparency and accountability being placed at the centre of the resource governance agenda. This can mainly be attributed to initiatives such as the Extractive Industry Transparency Initiative (EITI) which Ghana signed onto in 2003.

The 2018 financial year marks the 16th year of EITI implementation in Ghana. Over the period, thirteen mining and six oil and gas reconciliation reports have been produced. The findings and recommendations of these reports have fed into wide ranging policy reforms, especially in the mineral sector.

As, has been the case in previous years, this year's Annual Progress Report on EITI implementation in Ghana assesses the country's performance, in respect of its planned programmes and activities for the year under review, progress made in implementing the recommendations of the reconciliation reports, efforts being made by GHEITI to meet the 2020 deadline for instituting a Beneficial Ownership regime in Ghana, and impact of GHEITI's programmes and activities among others.

It is also to highlight challenges encountered during implementation to enable Government and other key stakeholders reconsider the various implementation measures adopted with a view to improving subsequent performance and impact.

2.0 GENERAL ASSESSMENT OF 2018 PERFORMANCE

In 2018, GHEITI set out the following objectives for its work plan:

- Enhance citizen's participation in decisions around resource extraction along the value chain
- Strengthen revenue management and natural resource governance
- Institutionalisation of the Ghana EITI
- Capacity building of the Secretariat, MSG and Other Stakeholders
- Promoting citizens' access to contracts;
- Making further progress towards the establishment of Beneficial Ownership (BO) regime and addressing Ghana's validation corrective measures in Ghana to satisfy the EITI Standard; and
- Institutional strengthening for systematic disclosure

The activities undertaken during the year were largely aimed at addressing these broad objectives. A general assessment of GHEITI's performance relative to the execution of planned programmes and activities shows that, eighty-two per cent of

activities were successfully executed, while the remaining eighteen percent activities have been initiated and were at various stages of implementation as at end of the year. For the purpose of this report, some of the key activities implemented were:

- ✓ Production of 2015 and 2016 GHEITI Reports for mining, oil and gas sectors;
- ✓ Stakeholder engagements on the 2015 and 2016 GHEITI Reports in the regions;
- ✓ Organised reports analysis programme for the media (Editors/Journalists in the extractive sector) on the 2015/2016 GHEITI reports;
- ✓ Organised community fora on the 2015/16 GHEITI Reports in:
 - Eastern Region - New Abirem;
 - Western Region – Tarkwa; and
 - Brong Ahafo Region - Kenyasi
- ✓ Organised nation-wide stakeholders’ engagement to discuss Ghana’s implementation of the Beneficial Ownership (BO) in line with the country’s BO road map;
- ✓ Produced and disseminated the Ghana Commodity Trading Pilot report on GNPC’s First Trades of crude oil; and
- ✓ Engaged stakeholders to discuss progress made towards addressing Ghana’s 2016 Validation corrective measures.

2.1 Production 2015 and 2016 GHEITI Reports for Mining, Oil and Gas Sectors

The 2015 and 2016 GHEITI mining, oil and gas reports were successfully published to meet the International EITI Secretariat’s deadline. The reports were subsequently disseminated to stakeholders across the country as required by the EITI Standard.

The 2015 and 2016 GHEITI Reconciliation Reports marked the 13th report produced so far for the Mining Sector and 6th for the oil and gas sector since Ghana signed on to the EITI in 2003. The challenge of accessing data for the generation of the reports and the cumbersome procurement processes contributed to the delays in the production of the reports.

The Government of Ghana funded the production of the mining reports while the Ghana Oil and Gas for Inclusive Growth (GOGIG) supported the production of the oil and gas reports.

Cross section of participants at the Western Dissemination session at the Hotel De Hilda, Tarkwa

The key outcomes of the stakeholders’ engagements and community durbars were enhanced capacity of the participants with relevant information to demand accountability

2.2 Regional Engagements of Stakeholders on the EITI Process, 2015/16 GHEITI Mining, Oil & Gas and Ghana Commodity Trading Pilot Reports

Following the successful launch of the 2015 and 2016 GHEITI reports in May and October, 2019 respectively, the GHEITI Secretariat and the MSG engaged various stakeholders in different regions including Western, Eastern, Ashanti, Brong Ahafo and Northern regions to discuss the reports. The objective of the programmes was to afford stakeholders with the opportunity to discuss the progress of EITI implementation and the findings and recommendations contained in the 2015/2016 reports with a view to promoting public dialogue and debates around natural resource governance. Apart from the main disseminations, there were also community fora held for members of communities in and around where extraction of resource take place to share their perspectives and asked critical questions mostly done in local languages in those localities.

Again, presentations were made on the Ghana maiden Commodity Trading (CT) Project Report with a view to sharing and also discussing the findings of the CT report. Participants praised GHEITI for the pilot report which provided them with useful information on the prices, contracts, buyers and destination of Ghana's first trade crude oil by the Ghana National Petroleum Corporation (GNPC) since January 2015 to December 2017 which hitherto was not made public.

Over two thousand (2,000) people participated in the events. These included representatives from the MSG, Regional Coordinating Office, Municipal Assembly, Industry, Traditional Rulers, Civil society, media and community members.



from the duty bearers and influenced policy and legislative reforms in the extractive sector among others.

The community engagement focused on sharing information and data on the 2015/16 mining and oil/gas sectors reports. The forum, served as a platform to present to the

people the total revenues the country derived from the resources in the two sectors in 2015/16 and how they have been utilised. It also afforded the people information on their share of royalties that was transferred to the communities and how they have been utilised over the period. Additionally, the forum served as a platform for the people in the district to share their views about the oil and gas as well as the mining industry in relation to what needs to be done to make the industry a force for social and economic development in Ghana.



Participants in one of the community fora at New Abirem in the Birim North District in Eastern region

2.3 Stakeholders Sensitised on Beneficial Ownership (BO) Disclosure Nation-wide

The Ghana EITI and the Registrar-General's Department in collaboration with the Ghana Oil and Gas for Inclusive Growth (GOGIG) as part of the implementation of activities outlined in Ghana's BO roadmap, held various sensitisation programmes for stakeholders across the country. Over one thousand (1,000) participants from state, non-state and industry players benefited from the sensitisation programmes nationwide.

The main objective was to sensitise and build the capacities of stakeholders on the BO process, the legal requirements and benefits of beneficial ownership disclosure regime among others.

Presentations were made by various resource persons and clarifications sought by participants on the following topics.

- (i) Beneficial Ownership Disclosure – Theory and Practice;
- (ii) Ghana's Beneficial Ownership Disclosure Process so far;

- (iii) Using Beneficial Ownership Information to fight corruption in Ghana; and
- (iv) Implementation and Regulatory Requirements of Beneficial Ownership Disclosure in Ghana.



2.4 GHEITI Organised an Encounter with the Media on EITI Implementation Update in Ghana

The Ghana EITI Secretariat in collaboration with the German Development Co-operation, GIZ, organised a post-launch dialogue with a cross section of Ghanaian editors and the media at Hill View hotel, in the Eastern Region, from the 27th to 29th March, 2018. The journalists who participated in the event were drawn from editors of both the print and electronic media houses, the Institute of Financial and Economic Journalists (IFEJ) in the various regions of the country.

The objective of the media encounter was to brief, educate and build the capacity of the journalists as the fourth estate of governance systems to understand the key developments on the EITI front such as Beneficial Ownership Disclosure regime, systematic disclosure of EITI data and validation issues among others. It was also used as a platform to do a deeper analysis of the issues in the 2015/2016 EITI reports on the mining and oil/gas for accurate reporting.

In attendance were members of the MSG and the Independent Administrator to walk participants through the reports and to provide clarifications /responses to questions from the participants.

2.5 End of Year Session for Stock-Taking and Assessment of Progress of EITI Implementation in Ghana

As part of the process of periodic stock-taking of GHEITI activities and plan for the ensuing year, the MSG and the Secretariat organised an annual retreat in December, 2018 to assess the performance of GHEITI's implementation for the year, finalising and agreeing on a common work plan for the coming year and to develop a road map for the finalisation of the draft Term of Reference (ToR) for the production of the 2017/18. The workshop consisted of two sessions, with the first session focusing on the processes for the finalisation of the ToR; and the second session reviewed the year's activities including issues on BO and strategies for mainstreaming, the status of implementation of GHEITI's 2015/16 reports' recommendations; and agreeing on a common work plan for 2019. The workshop ended with the development of a roadmap for the finalisation of the ToR. In attendance were other stakeholders and partners who support the work of GHEITI directly or indirectly

3.0 ASSESSMENT OF PERFORMANCE / IMPACT AGAINST TARGETS SET OUT IN THE 2018 WORK PLAN- IMPACT

The overall assessment of progress made in terms of achieving the objectives set out in the work plan has been positive. For instance, stakeholders' engagement both at the national and sub-national levels brought to the fore a number of issues in the natural resources sector; while the follow-ups on the EITI recommendations led to the recovery of some additional revenues in the form of capital gains tax to government by Ghana Revenue Authority, policy briefs on key extractive sector issues for government, enhancing trust among community members, government, civil society and companies.

The National Assay Laboratory established at the Kotoka International Airport and managed by the Precious Minerals Marketing Company (PMMC) as Government Assayers has started operations of monitoring of gold production numbers and purity levels of minerals to be exported. This was one of the recommendations of Ghana's EITI reports and the efficient running of the facility will contribute to building trust of all stakeholders, reduce corruption and will also invariably impact revenue generation in the country, particularly from the extractive sector.

To broaden the frontiers of transparency and accountability, the petroleum register established by the Petroleum Commission (PC) as part of effort to meet the EITI requirements and also satisfy section 56, sub-sections 1 & 2 of the Petroleum Exploration and Production Act, 2016 (Act 919). The Act provides for the establishment of a register for the disclosure of contracts, licences and permits by PC and the Commission has so far disclosed seventeen (17) oil and gas contracts on the Petroleum Commission's website.

In 2018, Ghana started the application of the petroleum licencing round for exploration and production rights whose requirements include provision of BO information by prospective applicants. On the mining side, the Minerals Commission through the mining cadastre (M-CAST) has provided more information on mineral rights, licence allocations etc. The Minerals and Mining Act, 2006 (Act 703) is currently being reviewed to provide for transparency and accountability provisions such as contract disclosure, beneficial ownership, illicit financial flows in the mining sector among others.

Last but not the least, GHEITI's work continues to make great strides and impact in terms of our engagement and collaboration with other EITI implementing countries, research institutions, academia and think-tanks not only in Ghana but outside of Ghana as well. For instance, institutions such as the World University Service of Canada, Uganda EITI, media

etc continue to have collaborations with GHEITI for training and for peer learning and experience sharing.

4.0 2018 WORK PLAN AND PERFORMANCE

Table 1: 2018 Work plan and Performance

NO.	ACTIVITY/ACTION	BUDGET (GH¢)	ACTUAL EXPENDITURE (GH¢)	SOURCE OF FUNDING	IMPLEMENTATION STATUS	OUTCOME/REMARKS
1.	Produce 2015 and 2016 GHEITI reports for mining, oil and gas sectors	1,100,000 US\$250,000)	US\$140,000 for mining US\$112,000 for oil & gas	Government (GoG) GOGIG	completed	Reports published and fully addressed 6 out of 8 validation corrective measures
2.	Organise stakeholders' workshop to Validate the 2015 and 2016 GHEITI Reports (Technical review)	120,000	60,000	GoG	completed	
3.	Organise stakeholders workshop to launch the 2015 GHEITI Reports	60,000	65,000	GoG/GIZ	completed	Increased public awareness of the reports
4a.	Print 2000 copies of the 2015/2016 EITI Reports for outreach and dissemination activities.	70,000	69,000	GoG	completed	Increased public accessibility of information
5b.	Print 2000 copies of the reports on Pen Drives					
6a.	Organize sensitization programme for the media (Journalists in the extractive	80,000	75,000	GOG/GIZ	completed	Media capacity on developments EITI fronts and reports built

	sector) on the 2015/2016 GHEITI reports					
6b.	Local radio discussions on the 2015/16 GHEITI reports	40,000				
7.	Write to follow-up on the implementation of the findings and recommendations of the 2015 and 2016 EITI reports.	1,000	-	GOG	completed	Affected institutions well informed about the steps they are supposed to take to address the GHEITI reports' recommendations
8a	Organize EITI stakeholders' engagements in Western-Tarkwa and Eastern Regions – New Abirem, Ashanti and Brong Ahafo regions to disseminate the findings and recommendations of the 2015/2016 GHEITI Reports.	600,000	400,000	GOG/GOGIG	completed	Relevant Stakeholders engaged on the contents of the GHEITI reports to ensure public debate and collation of feedback to ultimately improve natural resource governance in the country.
8b	Organize community fora on the 2015/16 GHEITI Reports in Tarkwa, New Abirem and Kenyasi in W/R, E/R and B/R respectively.					
9.	Organize stakeholder engagement in Tamale for the three (3) Regions in Northern	200,000	220,000	GoG/GOGIG	completed	Relevant Stakeholders in Northern Ghana engaged on the contents of the

	Ghana on the 2015/16 GHEITI reports					GHEITI reports to ensure public debate and collation of feedback to ultimately improve natural resource governance in the country.
10.	Implementation and sensitization of stakeholders on BO in the Middle Zone	80,000	60,000	GoG/GOGIG	completed	Stakeholders in middle belt of Ghana sensitized and their capacities built on beneficial ownership disclosure
11.	Implementation and sensitization of stakeholders on BO in the Northern Zone	80,000	70,000	GoG/GOGIG	completed	Stakeholders in northern zone of Ghana sensitized and their capacities built on beneficial ownership disclosure
12	Organise stakeholder validation workshop to discuss the final draft reconciliation exercise on commodity trading in oil/gas sector report	20,000	40,000	GoG/GOGIG	completed	
13	Organise a workshop to launch the 2016 GHEITI reports	60,000	65,000	GoG	completed	Publicity of the reports increased
14.	Production of the 2017 Annual Progress Report	-	-		completed	Information on GHEITI's progress published
15.	Validation by International Secretariat to follow up on Progress made towards addressing Ghana's 2016	20,000	17,900	GoG	completed	Ghana's progress in meeting the EITI Standard established

	Validation corrective measures.					
16.	Technical review of 2015/2016 Mining, Oil and Gas reports	20,000	15,000	GoG	completed	
17.	Production of Ghana Commodity Trading pilot report	-	-	International EITI Secretariat	completed	Maiden Ghana Commodity Trading Pilot Report published
18.	Participation in International BO Conference in Dakar, Senegal	-	-	International EITI Secretariat	completed	Provided a platform for stakeholders to learn and share experiences on BO disclosure implementation.
19.	GHEITI Retreat for MSG Members for Programme review	80,000	70,000	GoG/GIZ	completed	GHEITI's implementation progress reviewed and plan for the ensuing year discussed/adopted
20.	Production of simplified version of 2015/16 GHEITI Report (Infographic)	60,000	-	GIZ	In-progress - Final ToR submitted to GIZ and Consultant expected to be completed in June, 2019	Delayed to late production and launch of the 2016 GHEITI reports for mining and oil/gas sectors due late and/or non-submission of data by relevant institutions. To be finalized in 2019
21.	i. Develop Policy briefs on key issues in the extractive sector based on 2016 reports	20,000	-	GoG	Initiated -Draft policy brief on Government free carried interest in the mining sector and shared with	Policy brief to be finalized and published in 2019. This is expected to give Government policy options on non-payment of

	ii. Engage stakeholders on the developed policy briefs				key institutions for inputs	dividend by most companies to consider
22.	Publication of the summary version of the findings and recommendations of the 2015/2016 EITI Reports in the major newspapers	40,000	-	GIZ	Couldn't be undertaken due to budgetary constraint as a result of global budget cut for the programme.	MSG to take a decision and plan for the publication of the summary version of the findings and recommendations of subsequent reports in the Newspapers
23.	Follow-up on the implementation of the findings and recommendations of Mining, Oil and Gas EITI reports.	120,000	-	GoG/GIZ	Process initiated by official writing to inform all affected agencies to implement the recommendations	Follow-up with progress of implementation of recommendations by affected agencies planned in 2019 to be done together follow-up on mainstreaming action plan and second validation corrective actions
24.	Produce Newsletters -print 1000 copies each of the newsletters	70,000	-	GoG/GIZ	Not undertaken	Funding constraint
25.	stakeholder engagement on mainstreaming	120,000	-	GOG/International EITI Secretariat/NRGI-Ghana	Completed in 2019	Gaps on systematic disclosures in Ghana identified and action plan developed to guide implementation

26.	National Conference on the Impact of GHEITI on Policy so far	500,000	-	GoG/GIZ	Process initiated but couldn't be completed	Pledges by donors and supporting agencies couldn't be fulfilled.
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Apart from the support received from the Government of Ghana for EITI implementation, the Ghana Oil and Gas for Inclusive Growth (GOGIG), the German Development Cooperation (GIZ), the Natural Resources Governance Institute (NRGI) and the International EITI Secretariat provided financial and technical support to GHEITI during the year under review

5.0 ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS

Table 2 provides an assessment of the performance in 2018 on compliance with the EITI requirements.

Table 2: 2018 Progress Made on EITI Requirements

Requirement	Progress
Requirement 1: The EITI requires effective oversight by the MSG	GHEITI has an effective oversight MSG. Members of the MSG participate in public outreach workshops and engage in the public debates on extractive governance
Requirement 1.5: The MSG is required to maintain a current work plan, fully costed and aligned with the reporting and Validation deadlines established by the EITI Board.	GHEITI has a fully costed work plan that outlined reporting deadlines and national priorities in line with the EITI Standard.
Requirement 2: The EITI requires disclosures of information related to the rules for how the extractive sector is managed, enabling stakeholders to understand the laws and procedures for the award of exploration and production rights, the legal, regulatory and contractual framework that apply to the extractive sector, and the institutional responsibilities of the State in managing the sector. The EITI Requirements related to a transparent legal framework and award of extractive industry rights include: (2.1) legal framework and fiscal regime; (2.2) license allocations (2.3) register of licenses; (2.4) contracts; (2.5) beneficial ownership; and (2.6) state-participation in the extractive sector.	GHEITI has met this requirement and progress is being made on BO disclosures – BO roadmap established and activities as per the road map are in progress to meet the January, 2020 deadline. The existing laws such as E&P Law, the Minerals and Mining Act as well as the petroleum register and the mining cadastre provide information on the relevant regulatory framework on the extractive sector. Both the 2016 EITI reports and GNPC disclosures provide information on state participation in the extractives.
Requirement 3: The EITI requires disclosures of information related to exploration and production,	The 2016 reports have provided the required information and the Ghana’s second validation results attest to meeting these requirements.

<p>enabling stakeholders to understand the potential of the sector.</p> <p>The EITI Requirements related to a transparency in exploration and production activities include: (3.1) information about exploration activities; (3.2) production data; and (3.3) export data.</p>	
<p>Requirement 4: The EITI requires a comprehensive reconciliation of company payments and government revenues from the extractive industries.</p>	<p>The GHEITI 2016 reports have provided information and covered comprehensive reporting of revenue streams and company payments despite reporting challenges encountered with some of the oil and gas companies which affected the level of comprehensiveness of the oil and gas companies. The information gaps will be addressed in the 2017 reports to be produced in 2019.</p>
<p>Requirement 5: The EITI requires disclosures of information related to revenue allocations, enabling stakeholders to understand how revenues are recorded in the national and where applicable, subnational budgets. The EITI Requirements related to revenue allocations include: (5.1) distribution of revenues; (5.2) subnational transfers; and (5.3) revenue management and expenditures.</p>	<p>The PRMA (Act 815) and Act 893 as amended guide revenue disclosures, allocations and management in the oil and gas sector whiles the 2018 Budget Statement and the MDF (Act 912) and the GHEITI reports have disclosed this information for the mining sector. The annual reconciliation reports on petroleum funds by the Ministry of Finance and the PIAC reports also provide disclosures on petroleum revenue management and utilisation.</p>
<p>Requirement 6: The EITI requires disclosures of information related to social expenditures and the impact of the extractive sector on the economy, helping stakeholders to assess whether the extractive sector is leading to the desirable social and economic impacts and outcomes. The EITI Requirements related to social and economic spending include: (6.1) social expenditures by companies; (6.2) SOE quasi-fiscal expenditures; and (6.3) an overview of the contribution of the extractive sector to the economy.</p>	<p>The GHEITI reports have provided information related to extractive sector's contribution to the economy, quasi fiscal expenditures. The 2016 reports made significant progress and disclosures of information pertaining to Requirement 6 which was well highlighted in Ghana's second validation results.</p>

<p>Requirement 7: The EITI Requirements related to outcomes and impact seek to ensure that stakeholders are engaged in dialogue about natural resource revenue management. EITI Reports lead to the fulfilment of the EITI Principles by contributing to wider public debate. It is also vital that lessons learnt during implementation are acted upon, that discrepancies identified in EITI Reports are explained and, if necessary, addressed, and that EITI implementation is on a stable, sustainable footing</p>	<p>GHEITI undertook several stakeholders' engagements which promoted public debate as well as took steps to implement EITI recommendations and validation corrective actions. The recommendations led to amendment in the Companies Code and passage of new Companies Law to include BO provisions, E & P Law, establishment of petroleum register, contract disclosure as well as establishment of team by GNPC to deal with GHEITI specific recommendations and remedial actions. People outside the MSG also have the opportunity to make inputs into the APR.</p>
<p>Requirement 8: The EITI requirement outlines the timeframes established by the EITI Board for publication of EITI Reports (8.2), annual progress reports (8.4) and Validation (8.3)</p>	<p>Ghana published the 2015/16 reports which met the extended deadline granted by the EITI Board. The timelines established for APR and Validation were also met.</p>

6.0 OVERVIEW OF THE MSG'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND 2016 VALIDATION

In 2018, the MSG took a number of steps towards implementing the recommendations in the GHEITI reports and addressing the corrective measures outlined in Ghana's second validation report.

The measures taken included the following:

(a) Implementation of GHEITI Reports' Recommendations:

- (i) Launching and disseminating the reports with key stakeholders including institutions affected by the findings and recommendations to discuss the reports;
- (ii) Dispatched official communication on the findings and recommendations to the affected institutions and requested that they acted on them;
- (iii) Organised meetings with the responsible agencies to follow-up and get feedback on implementation progress of those recommendations; and
- (iv) Documented the process by way of report and offered assistance where necessary.

(b) Implementation of Ghana's second validation report's corrective actions and recommendations:

- (i) Organised stakeholders' engagement to discuss Ghana's second validation report;
- (ii) Sent official communication to key institutions affected by the validation report and requested them to take the necessary steps to address them;
- (iii) Organised meetings with the management of the various institutions to discuss the Ghana EITI implementation issues in general and get an update/feedback on measures being undertaken to address the validation remedial actions;
- (iv) Prepared and published the 2016 reports which included information and measures taken by agencies to address issues raised in Ghana's second validation report;
- (v) Shared the 2016 GHEITI's reports with the International Secretariat for inputs and submitted the MSG's responses on the issues in the second validation report to the International EITI Secretariat/Board.
- (vi) In accordance with EITI requirement 7.3, Table 3 below outlines the recommendations and status/progress of corresponding activities that were carried out in the year under review.

Table 3: Progress on Addressing Past Recommendations in the GHEITI Reports and 2016 Validation

No.	Recommendation	Status/Progress
A.	Recommendations from 2015/16 Mining Sector Report	
10.3.1	In order to ensure full transparency in the licensing regime, an open round of bidding should be conducted with the highest bidder obtaining the concession. This will ensure transparency and also has the potential of generating higher revenue. The Minerals Commission should expedite plans of introducing the tendering process.	According to the Minerals Commission, the current system being used is first-come-first served basis but effort is being made to implement open round bidding process. Currently, the Minerals and Mining Act, 2006 is being reviewed to take on board this requirement and stakeholder concerns
10.4.1	It is recommended that the GRA and the Minerals Commission put in a system that will have extractive sector revenues separate from the general revenues instead of lumping all the revenues together. Such a system will make it possible for proper economic analysis for policy making.	The MSG and the Secretariat have officially communicated the recommendation to the affected institutions to take steps in addressing the recommendation, and would follow up with them to assess the progress of its implementation.
10.5.1	Regular disbursement of royalties affords MMDAs with more development funds for projects to impacted communities.	OASL indicated that they will continue to disburse royalties to beneficiaries on regular basis but the Assemblies are also required to submit their development plans and expenditure returns before any disbursement as required by the Audit Service. The Assemblies either don't submit or often delay and GHEITI plans to engage the Audit Service, the OASL and Assemblies on this issue. The establishment of the MDF Secretariat and the Board following the passage of Act 912 are also expected to improve the situation.
10.6.1	Forestry Commission is requested to follow through on payments for mining operations in the Agyenwa Bepow Forest Reserves for the remaining months of the years 2015/16.	The liaison group which is made up of members of the Forestry Commission, the EPA, Minerals Commission, Chamber of mines and others is responsible for the collection of 0.6% additional

		royalty for mining in forest reserves and will take necessary steps to ensure the collection of amount due.
B.	Recommendations from 2015/16 Oil and Gas Sector Reports	
7.6.2	The reporting on the activities funded by the Annual Budget Funding Amount (ABFA) should meet the requirements of section 48 of Act 815, i.e. the stage of implementation must be stated as well.	The Ministry of Finance has fully complied with section 48 of PRMA (Act 815) and are currently implementing it and sharing the report with Parliament.
7.7.1	The E&P Bill should be passed without delay to ensure good governance in the petroleum sector.	The E&P Act, 2016 (Act 919) has been passed and the regulations for the Act are being worked on
7.8.1	The GRA and the Petroleum Commission should ensure that the outstanding surface rentals are collected.	The GRA has indicated that outstanding surface rentals owed by the companies except Sahara Oil have been paid.
7.9.1	The Petroleum Commission, the GNPC and the GRA should ensure that carried interest is paid from the Saltpond Offshore Producing Fields.	Payment of carried interest by Saltpond Offshore Producing Fields is still outstanding. The Company is no longer in operation and GNPC has taken over the block.
C.	2016 Validation Corrective Actions	Implementation Progress
1.	License Register (#2.3) 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 of the license, (iv) in the case of production licenses, the commodity being produced.	The Minerals Commission and the Petroleum Commission have established mining cadastre and petroleum register respectively which are available online. Ghana has therefore made satisfactory progress on this requirement as per the 2016 reports and Ghana's second validation results.
2.	State Participation (#2.6)	Based on the information in the 2016 GHEITI oil and gas report and Ghana's second validation outcome, there is a significant

	An explanation of the prevailing rules and practices regarding the financial relationship between the government and state-owned enterprises (SOEs), e.g., the rules and practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment and third-party financing.	progress or improvement in meeting requirement #2.6. The remaining gaps identified in the second validation will be addressed in the 2017 oil and gas report.
3.	Comprehensiveness (#4.1a) The MSG is required to agree which payments and revenues are material and therefore must 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 MSG has systematically discussed and agreed on materiality threshold based on the 2016 scoping report for the selection of companies. Further steps have been taken by the MSG in discussing the 2016 scoping reports to address the comprehensiveness in upcoming 2016 reports if any. Furthermore, GHEITI through the Ministry of Energy is engaging the oil companies to ensure that all the IOCs that fall within the agreed materiality level disclose in subsequent EITI reporting.
4.	In Kind Revenues (#4.2) The government, including state-owned enterprises, is required to disclose the volumes of crude sold and revenues received	GNPC disclosed the in-kind revenues related to them in 2016 reports. Also, Ghana through GNPC's participation in the commodity trading pilot project that helped address this requirement 4.2. The requirement was therefore met based on the second validation result.
5.	SOE's Transaction (#4.5) The MSG must ensure that the reporting process comprehensively addresses the role of state-owned enterprises (SOEs), including material payments to SOEs from oil, gas and mining companies, and transfers between SOEs and other government agencies	Ghana EITI provided information on SOE's transactions in the 2016 oil and gas report, particularly between GNPC and other government agencies as well as third parties in the 2016 report. Significant progress has been made in meeting this requirement according to second validation results by the International EITI Board.
6.	Production Data (#3.2) Disclose production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity, and, when relevant, by	The 2016 report published all the required information regarding requirement 3.2 and Ghana has met this requirement based on the EITI International Board decision of Ghana's validation.

	state/region. Ghana should confirm all existing production for all commodities for the year covered by the report.	
7.	Export Data (#3.3) Disclosure of export data for the fiscal year covered by the EITI Report, including total export volumes and the value of exports by commodity, and, when relevant, by state/region of origin. Ghana should confirm all existing exports for all commodities for the year covered by the report.	The 2016 reports published all the required information as per Requirement 3.3. Ghana made satisfactory progress in meeting this requirement following the outcome of the country's second validation in 2018.
8.	SOE quasi fiscal expenditures (#6.2) The NSC must include disclosures from SOE(s) on their quasi-fiscal expenditures. The multi-stakeholder group 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 subsidiaries and joint ventures.	The 2016 oil and gas report captured information on quasi fiscal expenditures (QFE) regarding Western Corridor Gas project and BOST project as well as 'special advance' to the Ministry of Finance. The Ministry of Finance officially wrote to GNPC of the payment of the US\$50 million debt using the Capping Law and the credit balance the Ministry had with GNPC based on the monies released to the latter
	2016 Validation Recommendations	Implementation Progress
1.	MSG should develop a realistic timeline for finalising the GHEITI Bill	The draft GHEITI Bill has been finalised. However, government is considering developing an overarching Natural Resource Governance Bill to cater for transparency and accountability needs

		of EITI which will facilitate the implementation of systematic disclosure in the country.
2.	MSG should develop a work plan with objectives that reflect the key concerns of stakeholders with regards to management of the country's extractive resources	GHEITI work plan developed with inputs from stakeholders and to address concerns in Ghana's extractive sector.
3.	CSOs undertake capacity building needs assessment and that actions to address civil society constraint be implemented	This has been taken on board by the Civil Society members on the MSG and will be addressed in subsequent GHEITI work plan(s)
4.	MSG should ensure that the oil and gas sector's multiple fiscal regime are coherently presented and their rationale explained	The PRMA that guides the upstream petroleum sector in Ghana was amended in 2015 and currently the regulations to give clarity on some of the provisions have been passed.
5.	MSG should provide for the disclosure of all elements required and encouraged by provision # 2.3 pending the launch of the online licence registers	Both Minerals and Petroleum Commission have both established the online registers.
6.	MSG may ask government for a more affirmative policy on contract disclosure	The E & P law has made provision for contract disclosure and also petroleum contracts ratified by Parliament have been disclosed in the petroleum register. About 17 contracts in the oil and gas sector have been disclosed on Petroleum Commission's website while the Minerals and Mining Act , 2006 (Act 703) is being reviewed to include contract disclosure.
7.	MSG should describe in detail the transactions between government and GNPC. Also, explain more clearly in future oil and gas reports the actual steps GNPC follows in its petroleum operations (lifting & marketing)	GNPC has provided information between them and Government in the 2015/16 reports. The Ghana commodity trading pilot report also addressed the issues by GNPC in its petroleum operations (lifting and marketing).
8.	MSG should ensure that data under provisions 3.2 and 3.3 are completely and accurately	The provisions 3.2 and 3.3 have been addressed in the 2015/16 reports. Also, the Ghana commodity trading pilot project report will further provide more information on these provisions

	provided – production and export values and volumes and the underlying assumptions	
9.	The ToR for the IA should be aligned with the Standard ToR for IAs in accordance with the EITI Standard.	The issue has been addressed. The 2015/16 reports were produced using the required EITI Standard ToR and that practice will continue.
10.	MSG may wish to consider whether government receives material revenues from transportation of gas in the case of production of new oil fields initiated	The MSG has discussed this issue and found it not to be applicable. However, GHEITI will continue to monitor the issue of transportation revenues particularly in the gas production and include when it is applicable.
11.	Distribution of revenues and expenditures would benefit from being presented in a wider budgetary context	The PRMA governs the revenue distribution in the petroleum sector while there is now an MDF law for the 20% of minerals royalties. The Budget statement is expected to provide details of the revenues and expenditures and same will the Minerals Income Investment Act do.
12.	MSG may want to be more alert to quasi-fiscal expenditures (QFE) by SOEs	The MSG captured information on relevant QFE in the 2016 reports by SOEs.
13.	GHEITI Secretariat encouraged to work more closely with the media and local CSOs – Summary reports and in local language.	This has been implemented and will continue. The media is always engaged to discuss the reports on annual basis while the reports are discussed with various community members in the local language during GHEITI outreach.
14.	MSG encouraged to maintain the open data portal and update with its latest report	Implemented. The 2015/16 reports have equally been uploaded through a collaboration of GHEITI and NRGi.
15.	MSG should consider outstanding recommendations from past GHEITI reports and agree on follow-up and implementation measures	Periodic follow-up with key agencies on the implementation of all outstanding EITI recommendations both present and past always done
16.	Future APRs should better reflect the progress made by GHEITI with regards to improved transparency and accountability in the extractive sector.	This was addressed in GHEITI 2017 APRs and the practice continues in 2018.
17.	MSG should organise outreach and dissemination to discuss the impact of GHEITI, key challenges	National conference on GHEITI Assessment is still on board and is expected to be organised as part of efforts to implement this

	and areas of improvement in the light of Scanteam Impact Assessment.	particular recommendation among others when resources become available.
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7.0 OTHER DEVELOPMENTS THAT UNFOLDED DURING THE YEAR UNDER REVIEW

Two other major developments in relation to Ghana's EITI that unfolded during the period under review, and which are worthy of mention, are: African Beneficial Ownership Conference in Dakar, Senegal; and National recognition of Ghana EITI's contribution towards natural resource governance in the country.

7.1 41st EITI Board Meeting and International Beneficial Ownership (BO) Disclosure Conference in Dakar, Senegal

The International EITI Secretariat in collaboration with the Government of Senegal organised the 41st EITI Board Meeting and the International Conference in Dakar, Senegal from October 31st to November 2, 2018. The programme was supported by the Governments of the UK, France, Senegal and Denmark.



The Conference was attended by more than 200 representatives from over 30 countries and National Secretariats, 3 Heads of State, high-level government officials from Switzerland, Netherlands, Norway, the US State Department, Ministers and senior representatives from 24 African countries including Ghana, World Bank, International Financial Institutions, as well as representatives of the largest companies in the extractive industries and energy sectors such as: BP, Chevron, Royal Dutch Shell, Rio Tinto, Total, Cooper& Gold Inc., Nordea Group, civil society organizations, academics and researchers, media etc.

The conference, with a deep focus on the international process regarding the Disclosure of data on Beneficial Ownership in the Extractive Industry, served as a broad platform to discuss and elaborate globally coordinated actions and policies which aim at the finalization within 2020 of all processes related to the collection, publication, verification and use of Beneficial Ownership information, in compliance with the terms agreed by the EITI member countries.

It has been estimated that developing countries lose about USD 1 trillion each year due to the lack of transparency in natural resource governance. It has been also noted that around 81 countries with the most high-value natural resources are at the same time categorized as the poorest as a result of mismanagement of these resources, corruption, tax evasion, illegal financial transfers, money laundering, etc. These illicit financial flows often turn into a source of funding for criminal and terrorist organizations in many parts of the world.

The participants at the Conference emphasized in their speeches the fact that the real owners of the natural resources are the citizens of these countries; and that BO disclosure can help improve the investment climate, increase trust and accountability, enhance revenue collection, and also has positive social and environmental impacts.

The EITI International Board discussed in its 41st meeting topics such as Progress Report Implementation and Achievements, Reporting on Commodity Trading with State-Owned Companies; EITI Validation process in some member countries; Work Plan for 2019, Preparations for the EITI Global Conference 2019, scheduled to take place in June, 2019 in Paris; as well as the formalization of the new Executive Director of the EITI International Secretariat, Mr. Mark Robinson.

7.2 GHEITI Recognised at the Ghana 4th Mining Industry Awards held in 2018

The Ghana Chamber of Mines organised the above-named event on 30th November, 2018 at Labadi Beach hotel in Accra as part of the process to acknowledge outstanding

performance of companies, institutions and individuals that have distinguished themselves through their contribution to the growth and development in the sector.

To this end, the Ghana EITI was acknowledged in recognition of its exceptional contribution to the growth of the mining industry through evidence-based advocacy on transparency and accountability in the mineral resource management.

The Chamber has 'transparency and accountability principles' as one of its core values and has been part and supported GHEITI since Ghana signed onto the initiative in 2003.



8.0 STRENGTHS AND WEAKNESSES IN THE EITI PROCESS

8.1 Strengths

Enhanced transparency and accountability in extractive sector

The work by GHEITI continues to deepen transparency and accountability in the extractive sector in Ghana. For instance, the EITI process in the country has increased transparency in the collection, disbursement and utilisation of revenues from the extractive sector at both the national and sub-national levels. It has highlighted weaknesses in the allocation and use of royalties by District Assemblies, leading to policy recommendations and development of guidelines to address the anomaly.

Improved extractive sector governance

Ghana's commitment to implement recommendations from the GHEITI reports and to address the validation corrective actions has led to improvement in the governance of the extractive sector. A number of laws such as the Minerals Development Fund Act, the Petroleum Exploration and Production (E&P) Act, the amended Companies Law, among others have been enacted by Parliament to address specific gaps and challenges highlighted by the GHEITI reports. These laws contain provisions on elements of good governance such as contract disclosure, beneficial ownership, royalty disbursements etc.

Besides, online registers to provide more information have been established by the minerals, and petroleum commissions as part of efforts to improve on governance and meet international best practices.

Mainstreaming the EITI Process

Mainstreaming the EITI process as part of regular government and company disclosure systems will in no doubt contribute immensely to the sustenance of the initiative. Ghana is fully committed to mainstreaming and will leverage on information already being disclosed by agencies and companies on their websites to achieve our mainstreaming agenda. Already, Newmont Ghana has been publishing its payments to government on quarterly basis in the Ghanaian newspapers. Tullow Oil Ghana, has also been issuing periodic statements on its payments, and developments in both Jubilee and the TEN fields which it operates.

The National Information Technology Agency (NITA) is an institution in Ghana which has well-functioning publicly accessible national data portal for disclosing information from various sources and has a component for extractive sector information. GHEITI as part of its mainstreaming efforts plans to engage NITA to populate the website with the extractive data churned out by GHEITI. In the medium to long term, GHEITI intends to encourage

the reporting entities to provide data on their activities directly to NITA for public disclosure through its Extractive Industries Data Portal.

In line with this objective and as stated in GHEITI's 2018 work plan, a number of stakeholders' meetings were held in 2018 and expected to continue in 2019 and beyond to identify what information is already being systematically disclosed and what gaps exist as part of a feasibility study on Ghana's mainstreaming agenda.

8.2 Weaknesses

Relevance of EITI data timelines

Stakeholders have always applauded the GHEITI process for its immense contribution to opening up the extractive sector to public scrutiny. However, some concerns have been raised about the fact that the GHEITI data is always historical rather than real-time. The explanation to the use of historical rather than real-time data is that, the EITI Standard requires the publishing of data which have been audited. This means until the accounts of companies and government are audited, they cannot be used for EITI reconciliation purpose. This is seen by some as a weakness, and changes in this regard have been suggested.

Weak accountability enforcement

Another critical issue sometimes raised by stakeholders during GHEITI's outreach activities is that, even though, in their view, the EITI process has enhanced citizens' access to information on the management and use of revenues from the extractive sector, the country has not quite managed to make a complete transition from transparency to accountability. It is sometimes suggested that, GHEITI should consider resorting to the law courts to compel agencies to implement certain recommendations, instead of using administrative processes and moral suasion to get them to act. The lack of enforcement in some instances, is seen as a gap that need to be addressed going forward.

Voluntary Nature of the EITI

Even though the EITI is a voluntary initiative, some countries have legislated the process and many others, including Ghana, are discussing the possibility of legislating the transparency and accountability issues espoused by EITI to aid her mainstreaming agenda. The lack of legal backing to EITI implementation in Ghana is often seen as a weakness, as request for EITI data is often treated by companies and sometimes government agencies as non-statutory requirement and so not attended to with the level of urgency required.

9.0 DISCUSSION OF 2018 ANNUAL PROGRESS REPORT BEYOND THE MSG

The 2018 APR apart from it being discussed by the MSG at a meeting held in June, 2019 for input, was also shared with key stakeholders and partners for comments. The comments when received were incorporated into the final report.

10.0 DETAILS OF MEMBERSHIP OF THE MSG DURING THE PERIOD

The list of the membership of the MSG and the national secretariat during the year under review is as shown below:

LIST OF MSG MEMBERS

1. Mr. Patrick Nomo	-	Chair, Chief Director (MoF)
2. Dr. Steve Manteaw	-	Co-Chair, ISODEC
3. Alhaji Wayo Abubakari	-	Office of the President, Jubilee House
4. Mr. Franklin Ashiadey	-	MoF
5. Mr. Sulemanu Koney	-	Ghana Chamber of Mines
6. Mr. Dickson Agbogah	-	OASL
7. Mrs. Philomena Johnson	-	PWYP-Ghana
8. Mr. J.B. Okai	-	Ministry of Energy
9. Mr. B.C.D. Ocansey	-	GRA
10. Mr. Benjamin Graham	-	GRA
11. Mr. Sammuel Sackey	-	GRA
12. Mr. Amponsah Tawiah	-	Minerals Commission
13. Ms. Linda Tamakloe	-	GNPC
14. Mr. George Addy-Morton	-	Petroleum Commission
15. Mr. George Sarpong	-	Kosmos Energy
16. Mr. Kwasi Boateng	-	Tullow Oil Ghana Ltd
17. Mr. Paul Twum Barima	-	ENI Ghana Ltd
18. Mr. Habib Iddrisu	-	Ghana Manganese Co., Tarkwa
19. Mr. Ben Aryee	-	MLNR
20. Mrs. Hannah Owusu-Koranteng-	-	Wacam

ALTERNATES

1. Mr. Christopher O. Nyarko	-	Chamber of mines
2. Mr. Sammuel Kusi-Appiah	-	Kosmos Energy
3. Mrs. Zuleika Mate/Mr. Francis Samanthya	-	Eni Gh. Ltd.
4. Mr. David Owusu	-	Petroleum Commission

GHEITI SECRETARIAT

- | | | |
|---------------------------|---|------------------|
| 1. Mr. M.B. Abdul-Razak | - | Coordinator, MoF |
| 2. Ms. Victoria Benson | - | MoF |
| 4. Mr. Iddrisu Sharu deen | - | MoF |
| 5. Mr. Ivan Kudiabor | - | MoF |

11.0 CONCLUSION

The EITI implementation journey and experience so far has been a worthwhile. GHEITI successfully implemented over 85% of its work plan in 2018.

The hard work of Ghana EITI over the years has been duly recognized both locally and internationally which culminated in three (3) awards in a row as follows:

- (i) The EITI Chair's award for using the EITI recommendations to influence policy changes to make impact – 2016;
- (ii) The EITI Chair's award for significant progress Ghana has made in a short in implementing the BO disclosure regime in the country – 2017; and
- (iii) The Ghana Mining Industry Awards for GHEITI's exceptional contribution to the growth of the mining industry through evidence-based advocacy on transparency and accountability in minerals resource management – 2018.

In spite of achievements, there are number of challenges such as inadequate funding, inadequate capacities across board in terms of work load and effect of voluntary nature of EITI implementation in Ghana among others.

The EITI implementation continues to evolve to include other requirements such as BO disclosures, mainstreaming, gender issues, project level and environmental reporting among others.

GHEITI intends to embrace and scale up our implementation of the requirements and also adopt other innovative strategies to ensure that the initiative fits into our development agenda of meeting the country's SDGs, reduce corruption, mainstreaming EITI data and building Ghana Beyond Aid.