Extractive Industries
Transparency Initiative

EITI International Secretariat

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Third Validation of Ghana:

Final assessment by the EITI International Secretariat

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Third Validation of Ghana: Draft assessment by the EITI International Secretariat

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Abbreviations

ASM	Artisanal and Small Scale Miners
BO	Beneficial Ownership
CAPI	Carried and Participating Interest
DWCTP	Deepwater Tano Cape Three Points
EITI	Extractive Industries Transparency Initiative
E P	Exploration and Production
GHEITI	Ghana Extractive Industries Transparency Initiative
GNGC	Ghana National Gas Company
GNPC	Ghana National Petroleum Company
GRA	Ghana Revenue Authority
IA	Independent Administrator
IOC	International Oil Company
MC	Minerals Comission
MCAS	Ghana Mining Cadastre Administration System
MMDA	Metropolitan, Municipal and District Assemblies
MSG	Multi Stakeholder Group
MOF	Ministry of Finance
NOC	National Oil Company
NSC	National Steering Committee
PEP	Politically Exposed Person
RGD	Registrar General's Department
PAYE	Pay As You Earn
PC	Petroleum Commission
PHF	Petroleum Holding Fund
PLR	Project Level Reporting
PRMA	Petroleum Revenue Management Act
QFE	Quasi Fiscal Expenditure
SECO	Swiss State Secretariat for Economic Affairs
SOE	State Owned Enterprise
TOR	Terms of reference
VAT	Value Added TaxQFE Quasi Fiscal Expenditure

1 Executive Summary

Ghana has implemented the EITI process for thirteen years with the aim of improving the country's management of its natural resources. Ghana was the first country to cover the mining sector in EITI reporting. Once oil was discovered in 2007 and production began in 2010, GHEITI expanded its scope to cover revenues from the petroleum sector. Ghana EITI has been key in providing increasingly comprehensive information on the country's extractive industries.

The government's engagement in the EITI process has been strong during Ghana's implementation of the EITI. Wide representation by government agencies has facilitated inter-agency cooperation on EITI-related issues and ensured that findings and recommendations from EITI reporting have been followed up on. Company and civil society representatives appear to be actively engaged in the implementation of EITI in Ghana, and GHEITI has been credited with building trust in the extractive sector between stakeholders involved as well as between communities and companies at the local level.

Stakeholders highlight in particular the implementation of recommendations relating to increased ground rents from mining, fixed mining royalty rates and capital gains taxation to cover license transfers as impacts resulting from Ghana's EITI implementation. EITI reporting in Ghana has highlighted gaps in the legal and fiscal framework related to the extractive sector and revenue management from oil, gas and mining resources, which led to enactment and amendment of some laws to support the government's transparency agenda. Ghana EITI has also been a key actor building momentum for the beneficial ownership transparency agenda in the country by working together with stakeholders including the Registrar general Department to establish a beneficial ownership registry.

While EITI Reports have provided new and relevant information on the extractive industries, the findings of the assessment suggests that there are opportunities for Ghana to reconsider its approach to EITI reporting and some areas of improvement in meeting aspects of the EITI Requirements.

Some of these areas relate to requirement on state-owned enterprises (SOEs), including transparency in state participation (2.6), sales of the state share of production and other revenues collected in kind (4.2) and transactions between the SOEs and the government (4.5), where the assessment identified strategic opportunities to improve systematic disclosures going forward. The SOE, Ghana National Petroleum Corporation (GNPC) is currently taking leadership on the SOE transparency front and making efforts to improve its systematic disclosures of information required under the EITI Standard. GHEITI is also planning a second commodity trading report to expand the scope of disclosures related to the state's share of production and other in-kind revenues.

Some of the issues identified relate to comprehensiveness of financial disclosures (Requirment 4.1) data quality (4.9), subnational transfer (5.2) and quasi-fiscal expenditure (6.2) which could be addressed going forward through forthcoming EITI reporting or more sustainably through systematic disclosures through government and company systems. Participation in the EITI pilot on alternative approaches to EITI reporting also provide further opportunity for Ghana to tailor EITI reporting to meet national objectives for the industry and stakeholder demands.

The assessment also reviews progress in meeting new requirements of the 2019 EITI Standard related to beneficial ownership (Requirement 2.5) and project-level reporting (Requirement 4.7), areas that Ghana has championed, and provides recommendations for next steps.

Having reviewed the steps taken by Ghana to address the two corrective actions as of the commencement of its third Validation on 27 February 2020 (Requirement 4.1 and 6.2), the International Secretariat's conclusion is that Ghana has made considerable progress while some aspects of the requirements remain to fully address the corrective actions. Further, the International Secretariat's assessment found evidence to suggest progress has fallen below the required standard on Requirement 4.9 and 5.2 and warrant consideration by the EITI Board to be assessed as meaningful progress. The assessment of beneficial ownership and project level reporting suggests that Ghana has achieved meaningful progress in implementing Requirement 2.5 and Requirement 4.7. The Secretariat has taken the views of the Ghana EITI multi-stakeholder into account in finalising the assessment to ensure that these are accurate and reflect the status of the EITI process in Ghana.

The areas of improvement relate to beneficial ownership (Requirement 2.5), comprehensiveness (Requirement 4.1), data disaggregation (Requirement 4.7), data quality (Requirement 4.9), subnational transfer (Requirement 5.2) and quasi-fiscal expenditure (Requirement 6.2). Strategic recommendations have been developed for Ghana to further improve its reporting on license allocations (Requirement 2.2), the sales of the state share of production and other revenues collected in kind (Requirement 4.2), SOE transactions (Requirement 4.5) and subnational transfers (Requirement 5.2).

The draft assessment was sent to the multi-stakeholder group (MSG) on 3 August 2020. Following comments from the MSG received on 10 September, the assessment was finalised for consideration by the EITI Board.

2 Scorecard

EITI Requirements		Level of progress					
Validation scorecard							
Categories	Requirements	No progress	Inadequate	Meaningful	Satisfactory	Beyond	Direction of Progress
MSG oversight	Government engagement (#1.1)						-
	Industry engagement (#1.2)						-
	Civil society engagement (#1.3)						-
	MSG governance (#1.4)						-
	Work plan (#1.5)						-
Licenses and contracts	Legal framework (#2.1)						-
	Contract and license allocations (#2.2)						-
	License register (#2.3)						-
	Policy on contract disclosure (#2.4)						-
	Beneficial ownership (#2.5)						↔
	State participation (#2.6)						-
Monitoring production	Exploration data (#3.1)						-
	Production data (#3.2)						-
	Export data (#3.3)						-
Revenue collection	Comprehensiveness (#4.1)						→
	In-kind revenues (#4.2)						
	Barter agreements (#4.3)						-
	Transportation revenues (#4.4)						-
	SOE transactions (#4.5)						-
	Direct subnational payments (#4.6)						-
	Disaggregation (#4.7)						↔
	Data timeliness (#4.8)						-
	Data quality (#4.9)						←
Revenue allocation	Distribution of revenues (#5.1)						-
	Subnational transfers (#5.2)						
	Revenue management & expenditures (#5.3)						-
Socio-economic contribution	Social expenditures (#6.1)						
	SOE quasi-fiscal expenditures (#6.2)						→
	Economic contribution (#6.3)						-
Outcomes and impact	Public debate (#7.1)						-
	Data accessibility (#7.2)						-
	Recommendations from EITI (#7.3)						-
	Outcomes & impact (#7.4)						-

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Legend to the assessment card

	No progress. All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.
	Inadequate progress. Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
	Meaningful progress. Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
	Satisfactory progress. All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
	Outstanding progress. The country has gone beyond the requirement.
	This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
	The MSG has demonstrated that this requirement is not applicable in the country.

3 Background

Ghana joined the EITI in February 2007 and became compliant with the EITI Rules in October 2010. Ghana's first Validation under the EITI Standard was concluded on 8 March 2017, in which the EITI Board found that Ghana had made 'meaningful progress' in implementing the EITI Standard.[1] Eight corrective actions were identified by the Board, which were assessed in a second Validation that commenced on 8 September 2018. In Ghana's second Validation the EITI Board found that Ghana had addressed six of the eight corrective actions, with two corrective actions remaining to be assessed in a third Validation. Ghana's third Validation commenced on 27 February 2020 and the EITI International Secretariat has assessed the progress made in addressing the two corrective actions established by the EITI Board following Ghana's second Validation.[2] The two corrective actions relate to:

1. Comprehensiveness (Requirement 4.1)
2. Quasi-fiscal expenditures (Requirement 6.2)

The EITI International Secretariat has also assessed beneficial ownership disclosure (Requirement 2.5) in accordance with the 2016 EITI Standard. Given that project-level disclosures (Requirement 4.7) has become mandatory for EITI Reports covering 2018 and onwards, this requirement was assessed for the first time. In addition, the International Secretariat also assessed other requirements due to concerns of backsliding:

1. License allocation (Requirement 2.2)
2. State participation (Requirement 2.6)
3. Sale of the state's share of production or other revenues collected in kind (Requirement 4.2)
4. Transactions related to state-owned enterprises (Requirement 4.5)
5. Data quality (Requirement 4.9)

[1] EITI (201X), XXXX
[2] LINK TO BOARD DECISION FROM SECOND VALIDATION

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6. Subnational transfers (Requirement 5.2).

Ghana has undertaken activities to address corrective actions, including:

- On 16 April 2019, the MSG discussed the finalisation of the ToR for the 2017 – 2018 EITI Report and discussed Beneficial Ownership (BO) implementation.
- On 9 May 2019, the MSG met to discuss procurement of the production of the 2017 – 2018 report and discussion on BO implementation.
- on 31 July 2019, the MSG organised a technical round table on the development of the 2017 – 2018 data reporting templates, Beneficial Ownership Implementation and Mainstreaming.
- At its 8 August 2019 meeting the MSG to negotiated the contract and discussed ToR or the 2017 – 2018 report with the IA.
- On 15 November 2019, the MSG held a meeting to discuss the production of the 2017 – 2018 reporting including discussion on the MSG's position on whether there was a Quasifiscal Expenditure by GNPC during the reporting year.
- On 19 November 2019, GHEITI wrote to the Chief Director at the Ministry of Finance seeking clarifications on whether there were quasi-fiscal expenditures undertaken by GNPC in the period January 2017 to December 2018. On 19 November 2019, the MSG wrote a letter to GNPC requesting information on GNPC's quasi-fiscal expenditures in the period January 2017 to December 2018. On 26 November 2019, the MSG wrote a letter to the Director of Budget, seeking clarifications of whether there were any quasi-fiscal expenditures between the Ministry of Finance and GNPC between January 2017 and December 2018, including in terms of payments for the 2016–2017 Western Region enclave road made in the 2017–2018 fiscal year.
- On 31 December 2019, Ghana EITI published two 2017 -2018 EITI Reports for oil and gas sector and for mining.
- On 26 February 2020, Ghana EITI published an addendum to the mining and oil and gas 2017-2018 EITI Reports

The following section addresses progress on each of the corrective actions. The assessment covers the corrective actions established by the Board and the associated requirements in the EITI Standard. The assessment follows the guidance outlined in the Validation Guide.[3] The EITI International Secretariat has also assessed beneficial ownership disclosure in accordance with the 2016 EITI Standard and project-level disclosures because it has become mandatory for EITI Reports covering 2018 and onwards. The Secretariat's assessment is that Ghana has achieved "meaningful progress" on Requirements 2.5 and 4.7. In the course of undertaking this assessment, the International Secretariat has also assessed other requirements due to concerns of backsliding. In the Secretariat's view, there is evidence to suggest progress has fallen below the required standard in two of the requirements that warrant consideration to be assessed as meaningful progress by the EITI Board. In total, Ghana is assessed as having achieved "meaningful progress" on six requirements of the EITI Standard.

4 Effectiveness and impact of EITI implementation

National EITI objectives: EITI implementation has helped improve transparency in Ghana's extractive sector. Objectives of GHEITI's work plans are well aligned with national priorities and in line with the EITI Standard. The 2020 work plan published after the commencement of Validation[4] aims to enhance

[3] EITI (2019), 'EITI Validation Guide', available at: https://eiti.org/document/eiti-validation-guide
[4] Published 30 April 2020

transparency and accountability along the upstream extractives value chain including license allocations, beneficial ownership and systematic disclosure of data in line with the Government's agenda of improving domestic resource mobilisation and transparency in oil block allocations. The work plan activities are also aligned with recommendations from previous EITI Reports and Validations.

Impact. The process of EITI implementation has played a role in improving domestic resource mobilisation such as the introduction of capital gains tax by the Ghana Revenue Authority, which has increased government revenues from the extractive industries. The EITI process has further increased transparency in the collection, disbursement and use of revenues from the extractive sector at both the national and sub-national levels. Notwithstanding disclosure gaps highlighted in this assessment, GHEITI Reports have highlighted weaknesses in the allocation and use of royalties by District Assemblies, leading to policy recommendations and the development of guidelines to address the anomaly. The EITI process has led GNPC to consider its disclosures more holistically and has started work to systematically disclose data required under the EITI standard through its website .

The EITI process has led to several tangible reforms including enactment of laws such as the Minerals Development Fund Act, the Petroleum Exploration and Production (E&P) Act, and the amended Companies Law. The 2006 Minerals and Mining Act (Act 703) is currently being reviewed to include transparency and accountability provisions such as contract disclosure and beneficial ownership, which have the potential to reduce corruption, tax evasion and illicit financial flows in the mining sector. Also, the establishment of the National Assay Laboratory, which contributes to the monitoring of gold production data, has the potential to build trust among stakeholders and impact government revenue-generation from mining activities.

Ghana's EITI implementation also increased collaboration among government agencies. The MSG has used its platform to engage the Registrar General Department on beneficial ownership implementation and has played a leading role in driving the beneficial ownership disclosures of the extractive sector. Further, the MSG led the advocacy for changes in the mining sector's fiscal regime. Similarly, EITI implementation has led civil society organisations on the MSG to place contract transparency on the government's agenda, which led to the establishment of a publicly-accessible petroleum register hosting 17 oil and gas contracts. Ghana has also made efforts to use EITI reporting as a diagnostic instrument to support reforms in the management of extractives licenses. The government of Ghana in 2018 conducted an open licensing round taking into consideration inclusion of provisions of BO information by the applicants.

Despite these achievements, EITI implementation has not yet achieved its potential of addressing some governance issues affecting the sector. The GHEITI 2018 annual progress report highlighted stakeholders' views that the EITI process has contributed to improving transparency, but that there appears to be no corresponding improvement in accountability in the use of extractive revenues. While there are recommendations in the GHEITI Report that could help address some of these concerns, they have not yet been implemented such as lack of regular disbursement of royalties by the Metropolitan, Municipal and District Assemblies (MMDAs) which stalls developmental projects that could positively impact mining communities. Another challenge identified in the EITI process is the lack of enforcement powers by GHEITI, which could have helped in ensuring full implementation of recommendations from past reports. Also, despite comprehensive disclosure of oil and gas contracts, there appears to be little use of contracts data by stakeholders to date.

There are opportunities to strengthen the impact of the EITI in the current context. There is potential to use the EITI multi-stakeholder platform to consult stakeholders more broadly and to support planned reforms in the mining sector, such as through the current review of the 2006 Minerals and Mining Act (Act 703) that could help strengthen subnational transfers of mining revenues in practice.

The MSG could build on the disclosure of contracts through the petroleum registry to develop government agencies' and CSOs' capacities to understand and use contract data to strengthen enforcement of rules and regulations while providing incentives for officials to negotiate stronger terms in contracts.

GHEITI's full transition to systematic disclosures of EITI data through government and company systems would help in ensuring a more streamlined and efficient reporting process. Leveraging the 2019 EITI Standard, there is scope for EITI reporting to address issues of key public interest, including SOE transparency, revenue management, subnational transfer, gender and environmental reporting.

Conclusions, lessons learnt and recommendations:

Ghana EITI is playing an important role in ensuring transparency in the management of the extractive sector. The International Secretariat recognises the MSG's effort to use the EITI process to achieve broader national objectives of improving extractive industry governance. Ghana has made progress in addressing strategic recommendations from previous EITI Reports, such as the amendment of the PRMA Act that governs the upstream petroleum sector in Ghana, the enactment of Petroleum Exploration and Production (E&P) Act that led to the public disclosure of oil and gas contracts and improvement in disclosure of production and export data. GHEITI is encouraged to fully integrate EITI disclosures in government systems through systematic disclosures in the longer term. Ghana is encouraged to continue ensuring that the EITI process helps address broader national transparency agenda while strengthening transparency in the operations of its state-owned enterprise. GHEITI is encouraged to follow up on recommendations from Ghana EITI's commodity trading work, and further ensure the development and public accessibility of the beneficial ownership registry.

Sustainability

There is no perceived threat to sustainability of the EITI process in Ghana. The government's commitment to providing sustainable funding to EITI implementation is encouraging. The Vice President of Ghana and the Deputy Minister of Energy have reiterated the government's commitment to the EITI process during the 8th EITI Global Conference in Paris. This government commitment is evident in its commitment to fund about 80% of GHEITI 2020 workplan, with the remaining 20% funded by partners such as Switzerland's State Secretariat for Economic Affairs (SECO).

5 Review of corrective actions

As set out in the Board's decision on Ghana's second Validation, the EITI Board agreed two corrective actions.[5] The Secretariat's assessment below discusses whether the corrective actions have been sufficiently addressed. The assessments are based on the 2019 work plan, the 2017 -2018 EITI Reports, the 2018 annual progress report and, minutes of the MSG meetings from November 2018 to November 2019, alongside various documents submitted by the national secretariat to the International Secretariat, e-mail correspondence, and stakeholder consultations (in-person and via skype).

[5] EITI (2019), 'The EITI Board agreed that Ghana has made meaningful progress in implementing the 2016 EITI Standard, with considerable improvements.'. Available at: https://eiti.org/board-decision/2019-16 Accessed on 27 February 2020.

Since the commencement of its second Validation, Ghana has published two EITI Reports for its mining[6] and petroleum[7] sectors, covering fiscal years 2017 and 2018. Additionally, Ghana EITI also published an Addendum to the 2017-2018 EITI Reports.[8]

5.1 Corrective action 1: Comprehensiveness (#4.1)

In accordance with Requirement 4.1.c, Ghana should ensure that all companies making material payments to the government comprehensively disclose these payments in accordance with the agreed scope of EITI reporting. Ghana should clearly demonstrate that the selection of revenue streams for reconciliation ensures that all payments and revenues whose omission or misstatement could significantly affect the comprehensiveness of EITI reporting were included in the scope of reconciliation. Ghana should also ensure that reconciled financial data is consistently disaggregated by revenue stream, in accordance with Requirement 4.7. To strengthen implementation, Ghana is encouraged to consider the extent to which a clear quantitative materiality threshold for the selection of revenue streams for reconciliation would demonstrably ensure the comprehensiveness of reconciliation.

Findings from the previous Validation

The second Validation concluded that Ghana had made meaningful progress with considerable improvements in meeting Requirement 4.1. The Validation process found that Ghana had made progress in setting materiality thresholds for companies in reports for both mining and petroleum sectors. Exclusion of certain non-extractive payments to governments did not affect the comprehensiveness of reconciliation. Even though 13 payment types in the mining sector were aggregated into a single 'other licenses and fees', the low materiality threshold for selecting revenue streams combined with low value of combined payments meant that it was not considered sufficient for revisiting an assessment of Requirement 4.7 on disaggregation. However, the reconciliation process was only found to be comprehensive for the mining sector, as four material oil and gas companies accounting for 51.9% of total government petroleum revenues did not report. This lack of reporting for oil and gas revenues was considered to affect the comprehensiveness of reporting from companies in Ghana.

Progress since Validation

In its two most recent EITI Reports, covering mining and petroleum sectors respectively, Ghana EITI provides a clear and concise reasoning for materiality decisions. Both reports clearly state the basis and thresholds used for determining which companies and revenue streams are material.

Reports for both sectors provide full government disclosures for all extractive sector revenues, disaggregated by companies, revenue streams and national government agencies. The mining report explains the rationale for excluding indirect taxes even if above the materiality thresholds, as these are companies' payments to government on behalf of other parties (for example PAYE and VAT which

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[6] Ghana EITI (2019), 'Final report for 2017 & 2018 Mining sector'. Accessed on 14 February 2020. Available at: https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=369:final-report-for-2017-a-2018-mining-sector&id=49:2018&Itemid=54. Accessed on 7 January 2020.

[7] Ghana EITI (2019), 'Final report for 2017 & 2018 Oil and Gas sector'. Accessed on 14 February 2020. Available at: https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=371:final-report-for-20172018-oil-a-gas-sector&id=49:2018&Itemid=54. Accessed on 7 January 2020.

[8] Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI Reconciliation Reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 26 February 2020.

are on behalf of individuals and other companies). For the **petroleum** sector, some non-material revenue streams were included in reconciliation (dividends, transportation revenues, EPA permit fees, and surface rentals). All other excluded revenue streams were not material, except excise duties, import duties, and port/shorebase costs. These revenues were excluded from oil and gas reconciliation on the basis of "not being extractive-related payments". However, upon consultation with the MSG, it was confirmed that there were indeed no revenue payments associated with these revenue streams, and that they were deemed as not material on this basis. The exclusion of these revenue streams based on their non-materiality ensures that the MSG has not excluded any revenue streams from reconciliation that could affect the comprehensiveness of disclosures.

The **oil and gas** report highlighted some misstatements regarding corporate reporting, stating that Tullow Ghana Limited had not reported. Consultation with stakeholders confirmed that this was rectified during the reconciliation process. Other non-reported revenues were documented and not considered significant. Corporate reporting was covered through unilateral disclosure by government agencies, while non-reporting of government agencies only led to low omission of numbers. **Oil and gas** companies that did not report for 2018 included AGM Petroleum, Anadarko and Vitol, and initial reporting shows omissions related to these companies has led to reconciliation coverage dropping by 12% (USD 117m) of total reconciliation target. Ghana EITI sought to compliment the lack of company-reported data by government disclosures, which implied that missing company payments were USD 51.4m, or 5.3% of the reconciliation target. One of the company omissions, those of Anadarko, accounted for 5% of the reconciliation target, or 3% of total government revenues. The MSG, through consultations, confirmed their view of the reported data as comprehensive. Further, the national secretariat has shared documentary evidence of the efforts made by the MSG to collect data from companies that did not report (AGM Petroleum, Vitol and Anadarko). The efforts include a letter[9] written to the companies by the Ministry of Finance and a reminder email from GHEITI to Anadarko to provide information. The document shared also highlighted efforts by the Deputy Minister of Energy in pushing the companies to provide the requested information which included convening a meeting with the Petroleum Chambers and the MSG[10] and a bilateral meeting between the Deputy Minister of Energy and representatives from Anadarko in Texas during the Annual Oil Conference urging them to provide data for the EITI Report.

For the **mining** sector, mining companies that did not report for 2018 included AngloGold Ashanti (Ghana) Limited, Kibi Goldfields Limited and West Africa Quarries Limited. Non-reporting of mining companies amounted to 0.5% of company payments, and 0.4% of government disclosures. The omission of per-District Assembly data on property rates, amounted to 0.6% of government disclosures in total.

The reports do not provide overviews of where stakeholders may access audited financial statements of material companies. With the exception of GNPC's Consolidated financial statements for 2017 and 2018[11], no other audited financial statement is adequately sourced for stakeholders to access directly.

[9] Dated 2 October 2019
[10] Meeting held 28 October 2019. The minutes shared with the International Secretariat shows an agenda item and discussion on challenges of reporting by some International Oil Companies.
[11] GNPC, 'Investor Relations - Financial & Operational Reports'. Available at: http://www.gnpcghana.com/fo_reports.html. Accessed in September 2020.

Secretariat's Assessment

The International Secretariat's assessment is that Ghana has not fully addressed the corrective action on comprehensiveness and has made meaningful progress with considerable improvements on Requirement 4.1. The latest Ghana EITI Reports (covering 2018) provide a clear and concise reasoning for materiality decisions. Both reports clearly state the basis and thresholds used for determining which companies and revenue streams are material. Comprehensiveness of government and company disclosures have significantly improved. However, despite the continuous efforts by the MSG to ensure comprehensive disclosures by companies, non-reporting companies accounted for 5.3% of the total government revenue from oil and gas for 2018. One of the non-reporting companies, Anadarko, accounted for at least 3% of government extractive revenues, which represents a significant gap in the reconciliation of company payments and government revenues. The Secretariat was also unable to locate reliable data on Anadarko's payments to government from other publicly-accessible sources. The Secretariat recognises the views of the MSG that the broader objective of the requirement has been met, and that it is unfair for Ghana to receive less than satisfactory progress due to failure by certain companies to report. However, in light of the EITI Board's previous decisions in other comparable Validation cases,[12] the International Secretariat's assessment is that not all aspects of the requirement have been fulfilled and that Ghana has made meaningful progress in meeting this requirement.

In accordance with Requirement 4.1, Ghana should ensure that all material companies participate in EITI reporting. Ghana. All oil, gas and mining companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope by the MSG.

To further strengthen implementation, Ghana may wish to document how stakeholders can access audited financial statements of material companies, with precise sources to public disclosures of such reports.

5.2 Corrective action 2: Quasi-fiscal expenditures (#6.2)

In accordance with Requirement 6.2, Ghana should undertake a comprehensive review of all expenditures undertaken by extractives SOEs that could be considered quasi-fiscal. Ghana should develop a reporting process for quasi-fiscal expenditures with a view to achieving a level of transparency commensurate with other payments and revenue streams.

Findings from the previous Validation

The second Validation concluded that Ghana had made meaningful progress on Requirement 6.2, with considerable improvements. The 2016 EITI Report confirmed that there were no quasi-fiscal expenditures in the mining sector in 2016. In oil and gas, the 2016 EITI Report provided a partial description of four types of expenditures that were categorised as quasi-fiscal, although these expenditures either did not take place in the year under review (2016) or did not appear to fit the categorisation of quasi-fiscal expenditures. It was noted that there *were* publicly available evidence of other GNPC expenditures in 2016 that could be considered quasi-fiscal, thus raising significant concerns over the comprehensiveness of quasi-fiscal expenditure disclosures in the 2016 EITI Report.

[12] Such as the second Validation of Albania. See EITI (2019), 'Board decision on Albania's second Validation'. Available at: https://eiti.org/board-decision/2019-44. Accessed on 9 July 2020.

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Progress since Validation

In its two most recent EITI Reports, covering mining and petroleum sectors respectively, Ghana EITI provides information on quasi-fiscal expenditures (QFEs). In addition, minutes of MSG meetings and other evidence of correspondence between GHEITI and GNPC were published with a view to provide clarity on, amongst other requirements, QFEs[13].

Oil and Gas

According to the 2017-2018 Oil and Gas EITI Report, no quasi-fiscal expenditures (QFE) were identified in the reporting period. While not justified in the report, minutes of MSG meetings[14] and the Terms of Reference (TOR) for the Independent Administrator (IA) (published on 29 March 2020) confirm extensive MSG discussions on QFEs in Ghana. For instance, minutes of the MSG meeting of 15 November 2019[15] clearly identified the MSG's agreement that none of GNPC's social expenditures for 2017-2018 qualified as QFEs. In addition, there is publicly available evidence of letters between the MSG and GNPC confirming the non-existence of QFEs in the reporting year, albeit published after the commencement of Validation. All letters and documentation of MSG discussions are available on GHEITI website.[16]

With no QFEs reported in the coverage of 2017-2018, the report provides updates on previously reported transactions under QFEs. It highlights steps taken to settle two out of four previously identified QFEs based on recommendations from the 2016 EITI Report. These included a) a repayment of a USD 100m loan guarantee involving the Karpower emergency powership and b) a request – with legal basis – from the MOF to GNPC to expunge a USD 50m loan from its records (See p.119 and 125 of the 2017-2018 oil and gas report for more details). It was also documented in the report that in line with the Corporation's role as the gas aggregator, GNPC was requested by the government of Ghana to financially support the construction of key roads within the western corridor to facilitate the evacuation of gas from the Ghana Gas Company at Atuabo. Stakeholder consulted confirmed the statement, noting that the USD 4.14m expenditure on the western corridor roads occurred in 2015 and was already reported in 2015/16 Oil and Gas EITI Report. Thus, the 2017-2018 EITI Report only provided an update since it states that there were no QFEs during the 2017-2018 reporting years. The aforementioned disclosures suggest that Requirement 6.2 is not applicable to Ghana in the period under review (2017-2018).

However, there are publically available sources that contradict the information in the EITI Reports. The 2018 report by the Public Interest and Accountability Committee (PIAC) [17] specify at least eight GNPC activities that could be considered QFEs. It must be noted that it remains unclear how many of these specifically took place in the year under review (2017 and 2018). The PIAC report highlights a GHC 102,537,354.00 (USD 21,270,220.92) GNPC expenditure on gas debt involving the government. The same report also notes two different payments to the MOF involving the enclave roads and loans and guarantees provided by GNPC to other SOEs totalling USD 325m as of end-2018 (p.104-105). Beside noting that this information was sourced from GNPC in 2018, the exact dates, terms and conditions related to this expenditure is not clarified in the PIAC report. It is important to note that the GHEITI Report did not cover some of the expenditures within the same year under review. The PIAC report

[13] GHEITI (2020). Validation Reports (1. Request for Information on the GNPC Quasi Fiscal Expenditures, 2. Re-Request for Information on GNPC Quasi Fiscal Expenditure and 3. Meeting on GHEITI Scoping Study Report and Templates finalization). Available at https://tinyurl.com/w6gnmj8. Accessed on 7 April 2020.
[14] MSG meting minutes November 2018.
[15] Meeting held to discuss the scoping study report and reporting templates finalisation
[16] ibid
[17] Public Interest and Accountability Committee (2018), 'Annual report on the management and use of petroleum revenues for the period 2018'. Assessed on 19 March 2020. Available at https://www.piacghana.org/portal/files/downloads/piac_reports/piac_2018_annual_report.pdfTh

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concludes that there is a consistent and disturbing pattern of political interference in the affairs of GNPC. As discussed below, GNPC 2018 AFS confirm that additional loans extended from GNPC to government agencies exist. Note 18 of the AFS indicates that GNPC is owed USD 103 .5m (290.9m in 2017) from the government and its agencies in 2018, with two new amounts due from "MoE Current Account" (USD 25.3m) and the Volta River Authority (USD 48.8m). The PIAC report also maintains reservation regarding the manner in which the USD 50m loan was requested by the Ministry to be expunged by GNPC, noting that the arrangement was not based on mutual consent of the two parties (p.105). As a result of these, EITI Reports and other publicly available reports[18] have cautioned about the tendency of the government to use GNPC to finance quasi-fiscal expenditures. According to the Ghana Institute of Fiscal Studies (IFS)[19], "given GNPC's relatively strong balance sheet and cash flows, and the government's disinclination to issue sovereign guarantees in support of state-owned enterprises, the Corporation (GNPC) has become a de facto "guarantor of last resort" in the energy sector, providing guarantees on behalf of Electricity Company of Ghana (ECG), Volta River Authority (VRA), Tema Oil Refinery (TOR), and Bulk Oil Storage and Transportation Company (BOST)" (p.4).

Stakeholders noted that the 2018 PIAC report included mainly statements of caution and not comments on actual QFEs in the period under review. In its feedback on the assessment, the MSG emphasised the confirmation received by the Minstry of Finance and GNPC that no new QFEs had taken place during the reporting period. The MSG explained that the work of PIAC and IFS should be seen as complementary to GHEITI reporting, and that definitions applied by these differed from those applied by GHEITI, which could lead to differing conclusions.

Mining

According to the 2017-2018 Mining EITI Report and the scoping study, no QFEs were identified and no upstream SOEs existed in 2017 and 2018. As a result, QFEs were not covered in the report (p.87).

Secretariat's Assessment

The International Secretariat's assessment is that Ghana has not fully addressed the corrective action on quasi-fiscal expenditures and has made meaningful progress with considerable improvements in implementing Requirement 6.2. The GHEITI Reports confirm that no quasi-fiscal expenditures by SOEs occured in the mining sector in 2018. For the oil and gas sector, the 2017-2018 GHEITI Report indicates that quasi-fiscal expenditures did not occur in 2017 and 2018. The International Secretariat recognises efforts made by the MSG to capture progress made to settle two previously identified quasi-fiscal expenditures based on recommendations from the 2016 EITI Report. However, the inconsistency in information on QFEs provided in EITI Reports compared to other reliable source (such as PIAC and IFS) raises concerns on the comprehensiveness of QFE disclosures in GHEITI reporting. Inconsistent information across the EITI Report and other official reports (such as PIAC and IFS) raise concerns that the wider objective of the requirement has not been fully achieved. This makes it challenging for stakeholders to understand which sources of information to rely on.

In accordance with Requirement 6.2, Ghana should continuously monitor and fully disclose any quasi-fiscal expenditure undertaken by extractives SOEs. Where such quasi-fiscal expenditures are identified, the MSG should continue to work closely with GNPC, MOF, PIAC and stakeholders to clarify

[18] Public Interest and Accountability Committee (2018), 'Annual report on the management and use of petroleum revenues for the period 2018'. Assessed on 19 March 2020. Available at https://www.piacghana.org/portal/files/downloads/piac_reports/piac_2018_annual_report.pdf

[19] IFS Policy Brief No. 8(2019). Assessing Management of Ghana National Petroleum Corporation Revenue. Avaiable at http://ifsghana.org/wp-content/uploads/2019/09/Special-Policy-Brief-8.pdf

specific quasi-fiscal expenditures within the years under review and to develop a reporting process for quasi-fiscal expenditures with a view to achieving a level of transparency commensurate with other payments and revenue streams.

Other requirements assessed

In the course of undertaking this assessment, the International Secretariat has also considered whether there is a need to review additional requirements, i.e. those assessed as "satisfactory progress" or "beyond" in the second Validation. In particular, the Secretariat reviewed possible back-sliding in the 2017-2018 EITI Report on all the requirements and found possible backsliding on Requirements 2.2, 2.6, 4.2, 4.5, 4.9 and 5.2. The Secretariat's view is that there is evidence to suggest progress has fallen below the required standard on Requirements 4.9 and 5.2 and warrant consideration by the EITI Board, to be assessed as "meaningful progress".

5.1 Assessment of license allocations (#2.2)

Findings from the previous Validation

The first Validation concluded that Ghana had made satisfactory progress in meeting Requirement 2.2. The 2014 EITI oil, gas and mining reports, based on which the Validation was conducted, comprehensively disclosed the respective process for awarding licences. In the absence of any transfers of licenses within the reporting period, neither reports addressed the process of transferring licenses. License awards were comprehensively listed, including awards to companies that were not subsequently subject to EITI reporting. The efficiency and effectiveness of licensing procedures were discussed in the reports, leading to recommendations for change which had potentially contributed to ongoing sector reforms at the time.

Progress since Validation

The 2017-2018 Oil and Gas EITI identifies six awards of oil and gas licenses in the 2017-2018 period. The technical and financial criteria for awarding licences are stated in the report, while the addendum to the report provides details and further clarity on evaluation framework and criteria used for awarding licenses as well as the bidding process. With regards to the competitive bidding process specifically, the report confirms the number and names of all companies that submitted bids. The bidding process and criteria are summarised in the report,. The report also confirms that no substantial deviations from the established framework occurred. A complete list of all oil and gas licenses, including awards granted before 2017 and licenses held by out-of-scope companies, are systematically disclosed on the Ghana Petroleum Register.

The 2017-2018 mining report lists 50 and 22 mining license awards in 2017 and 2018 respectively, disaggregated by type. A total of 206 and 364 applications were filed in 2017 and 2018 respectively (p.42). The process for awarding licences – on a first come first serve basis – is adequately described in the report. The exact technical and financial criteria for awarding mining license are detailed on the GHEITI website.[20] The addendum to the report provides information of the names of license holders and transferees, disaggregated by type of license. However, the report did not provide information on the process, technical and financial criteria for transferring license. Nevertheless, the national

[20] GHEITI (26 February 2020). Technical and Financial Criteria Report. Available on https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=19:validation-reports&Itemid=54

secretariat and the MSG through consultation after the start of Validation clarified that the technical and financial criteria for allocation of mining license also applies to license transfer.[21]

See annex (A) for the full assessment.

Secretariat's Assessment

Subject to the Board's consideration of information published after the commencement of Validation, the International Secretariat assessment is that Ghana continues to make satisfactory progress on Requirement 2.2. The processes, technical and financial criteria for awarding oil, gas and mining licenses are either systematically disclosed or captured in EITI reporting. A complete list of all oil, gas and mining licenses including awards granted before 2017 are systematically disclosed on the Ghana Petroleum and Mining Registers. No material deviations are noted in the years under review. The oil and gas transfer process and evaluation criteria (both technical and financial) are explained in the report, addendum and government legislations. The MSG has provided clarity after the commencement of Validation that the technical and financial criteria for awarding license applies for transfer of license in the mining sector.

To strengthen implementation, the MSG should consider working with the Petroleum Commission and Minerals Commission to systematically disclose all relevant information on license allocation. The MSG should ensure that future EITI reporting consistently references relevant publicly available information.

5.2 Assessment of state participation (#2.6)

Findings from the previous Validation

The second Validation concluded that Ghana had achieved satisfactory progress on this requirement. Validation revealed that there were no material revenues related to SOEs in the mining sector. The EITI Report under review confirmed the materiality of state participation in oil and gas, and comprehensively listed all state participations upstream, including the lack of changes in ownership and interests. The terms associated with GNPC's equity participations were described in the EITI Report and GNPC's had published its audited financial statements for the period under review, for fiscal year 2016. The report also described all loan and guarantee arrangements.

Progress since Validation

Since the commencement of Validation, in addition to the reports highlighted under section 5.1 of this assessment, Ghana National Petroleum Corporation (GNPC) published its 2017 Consolidated financial statements that were subject to external audit. The audit procedure for 2018 Consolidated financial statements was not concluded by the commencement of Validation, although the statements were published in September 2020.[22] As the public accessibility of GNPC's audited financial statements (AFS) was instrumental for Ghana's progress in previous Validations, the International Secretariat reassessed Ghana's disclosures on state participation.

State participation remains not applicable for the mining sector. The EITI Report continues to show that state participation is applicable in the oil and gas sector for the period under review. However, the

[21] GHEITI (27 July 2020). Technical and Financial Criteria Report. Available on https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=19:validation-reports&Itemid=54

[22] GNPC (2020), '2018 Consolidated Financial Statement'. Accessed in September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf

2017-2018 EITI Reports did not contain as comprehensive information for state-owned enterprises as in previous years. As indicated in the documentation section, Annex A, Ghana continues to follow a sound approach to assessing the materiality of SOEs, by using the same threshold for selecting all extractives companies for reporting. In effect, this means that one upstream petroleum SOE is material; Ghana National Petroleum Corporation (GNPC). Other potential SOEs, such as Ghana National Gas Corporation (GNGC), are not considered material as they are not directly involved in extraction.

Most of the statutory rules related to GNPC's role and financial relationship with the government are described in the 2017-2018 EITI Report. However, as opposed to findings from Ghana's second Validation, EITI Reports no longer comment on GNPC's ability and practices related to seeking third-party financing, reinvestment in its subsidiaries, nor present a comprehensive overview of GNPC's interests in petroleum fields and other extractive companies. Feedback from the MSG referred to the 2011 Petroleum Revenue Management Act and the 1983 GNPC Act for publicly accessible information on the statutory financial relationship between the state and GNPC. Section 7(3) of the 2011 Petroleum Revenue Management Act shows that GNPC is entitled to deduct its equity financing costs from its transfers of profits to the Petroleum Holding Fund (PHF). Also, section 12(3) of the 1983 GNPC Act provides that GNPC is allowed to retain earnings to reinvest in the operations of its subsidiaries, joint ventures and affiliates.

Additional information on GNPC's subsidiaries and joint ventures were included in the addendum to the 2017-2018 EITI Report, but the addendum still did not fully clarify GNPC's interests in *all* contract areas, fields and/or projects. While the reports do not cover all details of the precise interests held by GNPC in various contract areas and fields, the publicly accessible Petroleum Register containson the terms attached to GNPC's participation in all contract areas and petroleum fields.[23] Additionally, GNPC's publicly-accessible AFS for 2017 and 2018 indicate that dividend income from subsidiaries, third-party financing, and other transactions with other SOEs and government entities, is applicable and took place in both years. Most of these instances are not described in the EITI Report, and the Independent Administrator commented during consultations that details are contained in GNPC's AFSs.

In terms of ownership and changes in ownership occurring during the period under review (2017-2018), the report indicates state interests in GNPC, GNGC and Prestea Sankofa (through GNPC). Also, GNPC's interests in several fields are indicated. The reports do not comprehensively describe GNPC's equity interests in fields and contract areas of Ghana, however these are comprehensively described in publicly accessible contracts contained in the Petroleum Register, as are the terms associated with GNPC's equity interests in the eighteen contract areas.[24] The reports do not identify these public disclosures from which stakeholders may access this information. Feedback from the MSG confirmed that there has been no changes in state or SOE ownership in subsidiaries or joint ventures during the year under review.

The reports do clarify GNPC's interests in several subsidiaries and joint ventures, however, two instances are not sufficiently clear. The addendum includes additional information on GNPC's liabilities towards the Saltpond Offshore Producing Company Limited where GNPC held 45% interests, but neither the addendum nor other documentation fully explains GNPC's obligations towards this inactive company (as of 2016), even though plans for decommissioning and costs to GNPC were announced. Similarly, GNPC investments in Prestea Sankofa in 2018 amounted to USD 795,905, with

[23] Petroleum Commission (2017), 'Petroleum Register: Contract Areas'. Available at: https://www.ghanapetroleumregister.com/contract-areas. Accessed on 26 March 2020.
[24] Petroleum Commission (2017), 'Petroleum Register: Contract Areas'. Available at: https://www.ghanapetroleumregister.com/contract-areas. Accessed on 26 March 2020.

advances provided amounting to USD 11.5m. As confirmed by GNPC's AFS for 2018, this brings the total of GNPC's liabilities towards Prestea Sankofa (amounts due from Prestea Sankofa) to USD 13.2m (impared due to uncertainties of recoverability). EITI reporting does not contain this information regarding these transactions for either 2017 or 2018. Lastly, any policies and practices on dividends from any of GNPC's subsidiaries are not available through EITI reporting for either 2017 or 2018. GNPC's AFS confirms that such transactions did take place for 2017 and 2018.

The 2017-2018 EITI Reports, including the addendum and commentary from the Independent Administrator, considered some information surrounding an update on a USD 50m loan from GNPC to the Ministry of Finance. Additionally, a lack of payment from GNGC to GNPC for gas sales is identified. However, precise transactions related to these two issues are not mentioned in the reports. Stakeholder consultations confirmed that the USD 50m loan from GNPC was *not* reimbursed in 2018. Stakeholders reiterated that the report refers to a letter from the Ministry of Finance confirming that no reimbursement will be made regarding the loan, and directed GNPC to expunge the loan from its books.

According to GNPC's 2018 AFS, additional loans extended from GNPC to government agencies[25] exist. Note 18 of the AFS indicates that GNPC is owed USD 103.5m (290.9m in 2017) from the government and its agencies in 2018. The International Secretariat could only locate other publicly accessible data for 2018 through PIAC's annual reports which seem to confirm that there are outstanding loans, and suggests that additional expenses took place in 2018. However, it is uncertain whether these transactions are reported using a cash- or accrual-basis accounting. None of these are addressed in EITI reporting, implying that EITI Reports are not comprehensive.

GNPC's *advances to subsidiaries* are covered under financial note 36 of GNPC's AFS for 2018, indicated that related-party transactions of USD 12.3m were entered (not effectuated) from GNPC to its subsidiaries. Additionally, the 2018 AFS indicates that GNPC entered transactions with the consortium of companies in the Offshore Cape Three Points (OCTP), with USD 52m in pre-payments for condensates, under a contractual obligation to purchase a minimum guaranteed quantity of gas from the OCTP partners. These transactions are also not explained nor considered in EITI reporting.Stakeholder consultations indicated that comprehensiveness was ensured by comparison to management accounts, with an additional reference to the PIAC 2018 Annual report.[26] However, the report seems to indicate that GNPC effectuated, or incurred, more than USD 325m in expenditures on behalf of related parties (see pp.103-105 of PIAC 2018 Annual report and Annex A for details).

Several of the above issues are identified and remain a challenge for Ghana's EITI reporting, due to delays in GNPC's procedures for external audits. The Ghana Audit Service is responsible for appointing the external auditors of GNPC, which stakeholdersstated was not done according to statutory timelines. Therefore the 2018 AFS was not published in accordance with the timeframe defined in

[25] GNPC 2018 AFS: http://www.gnpcghana.com/fo_reports.html.
[26] PIAC (2019), 'PIAC 2018 Annual Report'. Available at: https://www.piacghana.org/portal/5/25/piac-reports. Accessed on 11 June 2020.

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relevant legislation. Combined with several claims by PIAC surrounding GNPC's accounts[27,28,29,30,31,32], it is concerning that Ghana EITI did not include aspects of GNPC's statutory audit process for the financial year 2018, nor an explanation of PIAC report findings beyond the social expenditures of the GNPC Foundation in its EITI Reports.

Some concerns highlighted above are addressed in GNPC's 2018 AFS, which were published after the commencement of Validation. These issues relate to changes in ownership of the GNPC, dividend incomes from direct subsidiaries, estimates of amounts due to or from related parties[33], third-party financing and other debts, loan guarantees related to third-party financing, and loans to related parties. The 2018 AFS provides further information on additional liabilities of government agencies towards GNPC, the role of GNPC in gas sales (including the nature of its financial relations with GNGC), additional outstanding payments and transfer of liabilities not covered by the EITI Report, and additional transfers with subsidiaries occurring in 2018.

Secretariat's Assessment

Subject to the Board's consideration of information published after the commencement of Validation, the International Secretariat assessment is that Ghana continues to make satisfactory progress on Requirement 2.6. The 2017-2018 EITI Reports continue to confirm the non-applicability of state participation in the mining sector. EITI reporting continues to demonstrate that the state-owned enterprise, Ghana National Petroleum Corporation (GNPC), gives rise to material revenues in the oil and gas sector. The government systematically discloses equity interests and terms associate with GNPC's interests in contract areas. The report no longer comments on GNPC's practices related to seek third-party financing, and to reinvestment in its subsidiaries and joint ventures, although the publicly accessible legislation confirms that GNPC is able to seek third-party financing.[34] Some specific loans and guarantee arrangements are covered in EITI reporting, although audit reports of GNPC and PIAC's annual reports imply that EITI reporting is not comprehensive of all loans and guarantees outstanding in the year under review (2018). GNPC published its 2018 audited financial statements after the commencement of Validation.

[27] GhanaWeb (2019), 'Stop using GNPC to finance quasi-fiscal expenditure - PIAC'. Available at: https://www.ghanaweb.com/GhanaHomePage/business/Stop-using-GNPC-to-finance-quasi-fiscal-expenditure-PIAC-757953. Accessed on 5 February 2020.
[28] The Ghanaian Journal (2019), 'GNPC To Pay USD250m For Unused Gas'. Available at: http://www.theghanaianjournalonline.com/news_post.php?post=2651. Accessed on 26 March 2020.
[29] PIAC (2019), 'Keep an Eye on GNPC To Check 'Wasteful' Expenditure – PIAC To Parliament'. Available at: https://www.piacghana.org/portal/12/13/366/keep-an-eye-on-gnpc-to-check-%E2%80%98wasteful%E2%80%99-expenditure-%E2%80%93-piac-to-parliament. Accessed on 5 February 2020.
[30] PIAC (2019), 'GNPC LOST GHC40.5M TO NON-CORE INVESTMENTS IN 2YRS – IFS'. Available at: https://www.piacghana.org/portal/12/13/328/gnpc-lost-ghc405m-to-non-core-investments-in-2yrs%E2%80%93ifs. Accessed on 5 February 2020.
[31] GhanaWeb (2019), 'IFS demands new law to restrict GNPC's activities, ensure more transparency'. Available at: https://www.ghanaweb.com/GhanaHomePage/business/IFS-demands-new-law-to-restrict-GNPC-s-activities-ensure-more-transparency-785547. Accessed on 5 February 2020.
[32] PIAC (2019), '2018 PIAC annual report', in particular section 9.1.2, pages 104-105. Available at: https://www.piacghana.org/portal/5/25/piac-reports. Accessed on 11 June 2020.
[33] Related parties include subsidiaries, government agencies and other companies owned by the Government of Ghana.
[34] Petroleum Commission (n.d.), 'Ghana National Petroleum Corporation Law, 1983 (PNDCL 64)'. Available at: https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_corporation_law_19831.pdf. Accessed on 25 March 2020.

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To strengthen EITI implementation, Ghana EITI and GNPC are encourages to continute the ongoing efforts to systematically disclose information required by the EITI related to state participation and SOEs through existing reporting channels.

5.3 Assessment of sales of the state's share and other in-kind revenues (#4.2)

Findings from the previous Validation

The second Validation concluded that Ghana had achieved satisfactory progress on Requirement 4.2. Validation confirmed that there were no in-kind revenues in the mining sector in the period under review. In oil and gas, the 2016 EITI Report and the pilot commodity trading report disclosed volumes of the state's in-kind revenues for oil and gas collected in 2016, as well as the proceeds of the sales of these volumes, disaggregated by buyer. The pilot trading report reconciled sales of oil, not gas.

Progress since Validation

Since the commencement of Validation, in addition to the reports highlighted under section 5.1 of this assessment, Ghana National Petroleum Corporation (GNPC)'s 2017 and 2018 Consolidated financial statements have been published subject to external audit. The 2018 Consolidated financial statement was published after the commencement of Validation (see Requirement 2.6 for further details). Although Ghana EITI also published a commodity trading report for 2015 - 2017, a planned second commodity trading report covering 2018 - 2019 will be produced in 2020. The Ministry of Finance also publishes timely quarterly reports on the receipts from its crude oil sales, including details on the volumes lifted by GNPC, the date of lifting and the value of the cargo.[35]

Using the general materiality threshold, EITI reporting continues to identify the main and significant revenues applicable in the country which also include in-kind revenues of the state in the oil and gas sector. The two main fiscal instruments include GNPC's and the government's carried and participating interests (CAPI) in various fields and contract areas, as well as royalties collected in kind.

Disclosures of oil sales are disaggregated by date, field, and per individual buying company, though not disaggregated by individual revenue stream. It is possible to calculate these values per revenue stream, due to granular data on CAPI and royalties in kind and per field both in the EITI Report and from the Ministry of Finance's quarterly reports.

These revenues are also applicable for gas sales. The oil and gas EITI Report provides an overview of the gas volumes received by the State and the volumes of GNPC's sales to GNGC, although the report does not disaggregate the state's share of in-kind revenues by revenue stream (see assessment of Requirement 4.7). The EITI Report highlights some issues concerning gas sales revenues in 2017-2018, mainly that gas sales to GNGC did occur during the period, without any payment from GNGC to GNPC or other affiliated companies for gas from Jubilee, TEN and Sankofa Gye-Nyame (SGN) fields.

Secretariat's Assessment

<u>The International Secretariat assessment is that Ghana continues to make satisfactory progress on Requirement 4.2.</u> The report provides volumes collected and volumes sold for both the state's natural gas in-kind revenues as well as GNPC's equity natural gas revenues, albeit without disaggregation

[35] Ministry of Finance, *Petroleum Reports*. Accessible here: http://www.mofep.gov.gh/publications/petroleum-reports/. Last accessed in September 2020.

between the two. While there is a case for considering that Ghana has gone beyond the minimum requirement by disclosing information on the sales of GNPC's equity natural gas revenues, the International Secretariat's assessment is that Ghana has made satisfactory progress in meeting this requirement given the lack of disaggregation between the state's in-kind revenues and GNPC's equity natural gas.

The Secretariat recognises the good practices by the Ministry of Finance and the efforts by the MSG and GNPC to strengthen transparency of crude oil sales over time. In addition to the quarterly reports by the Ministry of Finance, the 2017-2018 EITI Report on oil and gas includes volumes and values associated with sale of the state's in-kind revenues for oil, including a reconciliation of total liftings.

To strengthen implementation, Ghana is recommended to consider opportunities to regularly disclose information on the sale of the state's share of production of in-kind revenues by building on existing reporting by the Ministry of Finance, GNPC and GNGC. Ghana EITI is also encouraged to provide more clarity to stakeholders on the process of selling the state's share of production of gas revenues and how revenues received from such sales are managed.

5.4 Assessment of SOE transactions (#4.5)

Findings from the previous Validation

The second Validation concluded that Ghana had achieved satisfactory progress on Requirement 4.5. Validation found that the 2016 EITI Report disclosed and reconciled companies' in-kind payments to GNPC, even when identifying significant gaps the reconciliation of in-kind gas revenues. The report confirmed the lack of dividend payments from GNPC and disclosed budget transfers to GNPC, though these were not reconciled. Even so, these transfers from state budget to GNPC were reflected in both GNPC's 2016 audited financial statements and the 2016 national budget.

Progress since Validation

SOE transactions are not applicable for Ghana's mining sector, given the lack of material SOEs (*see Requirement 2.6*). EITI reporting for the oil and gas sector does not use a separate materiality threshold to determine whether SOE transactions are material, and thus the general materiality threshold for revenue streams is applied (USD 9 739 802 in 2018).

The EITI Reports indicate that GNPC's transfer of proceed from oil and gas sales form part of SOE transactions, but furthermore does not identify other material transactions between SOEs, nor between SOEs and government. However, GNPC's transfers to the PHF, which amounted to USD 814m in 2018, are reconciled, as are GNPC's receipts of in-kind revenues from companies. Budgetary transfers to GNPC are also unilaterally disclosed, though not reconciled. However, the Secretariat did locate publicly accessible budget execution reports confirming these transactions.[36]

See Annex (A) for detailed assessment.

[36] Ministry of Finance (2019), 'End-Year Report on the Budget Statement and Economic Policy of the Republic of Ghana for the 2018 Financial Year'. Page 17. Available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2018-CONSOLIDATED-MDAs-ANNUAL-BUDGET-PERFORMANCE-REPORT-Final.pdf. Accessed on 9 July 2020.

Secretariat's Assessment

The International Secretariat assessment is that Ghana continues to make satisfactory progress on Requirement 4.5. Details on transactions related to SOEs are provided through a combination of EITI reporting and government/SOE disclosures.

To strengthen implementation, Ghana is recommended to revisit their procedures for ensuring comprehensive disclosure and reconciliation of transactions of state-owned enterprises, with the aim to ensure that all transactions of SOEs with government – and payments from extractive companies, subsidiaries and joint ventures – are reported and considered for materiality. Where material, Ghana should ensure that all transactions are reported and reconciled.

5.5 Assessment of data quality (#4.9)

Findings from the previous Validation

The first Validation concluded that Ghana had made satisfactory progress in meeting Requirement 4.9. The 2014 oil, gas and mining EITI Reports, based on which the Validation was conducted, comprehensively covered the quality of data presented. The reports confirmed that all templates submitted met the previously agreed completeness, integrity, and reliability tests, concluding that the data provided was reliable.

Progress since Validation

In addition to the EITI Reports and associated addendum, Ghana EITI also published relevant minutes of MSG meetings[37] and discussions on the TOR for the Independent Administrator (IA)[38], with a view of providing clarity on, amongst other requirements, data quality. The additional documentation were published following the commencement of Validation.

The Terms of Reference (TOR) for the IA for producing the 2017-2018 Oil and Gas and Mining EITI Reports suggest that the MSG provided adequate oversight of the reporting cycle. The approach and methodology for reconciliation is outlined in the reports and are in accordance with the standard TOR; subject to credible, independent audit, applying international auditing standards. A draft summary data file for the 2017-2018 report was submitted to the International Secretariat at the time of review.

In terms of quality assurance mechanism applied, the reports describe the audit and assurance procedures in companies and government entities participating in EITI reporting (see details in Annex A, Requirement 4.9). According to the reports, the Auditor General did not qualify any accounts of the government entities that are required to provide data for the 2017/18 GHEITI report. With regards to companies, the reports confirmed that companies are audited by independent auditors while some International Oil Companies (IOCs) are also listed in stock exchanges. A review by the IA of all completed templates (government/companies) based on four data reliability checks (Completeness, Relevance, Correctness/accuracy and certification) also found them satisfactory (p.83 and 82 of the oil, gas and mining reports respectively).

[37] GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020
[38] GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020.

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For the **mining** report, there is evidence of an independent assessment of comprehensiveness and reliability by the Independent Administrator. For example, the IA confirmed that the absence of the three companies and the four District Assemblies did not have any significant effect on the reconciliation process in terms of comprehensiveness (See more on comprehensiveness of reconciliation under 4.1). While this could be implied, the IA did not provide a categorical statement on whether the data presented in the EITI Report were comprehensive. In terms of reliability, the IA noted that the companies' templates submitted (with exception of three in-scope companies that did not report) were embossed with company stamps and signed. It also stated that all government submitted templates passed the data reliability tests and that based on these, the data used for the reconciliation exercise overall was high in quality.

The same is not replicated for the **oil and gas** sector. While the effect of non-reporting and out-of-scope companies are captured in the report (see additional information on comprehensiveness of oil and gas sector above under 4.1), the IA does not provide a categorical statement on whethe r the data presented in the EITI oil and gas report were comprehensive. There is no discussion on whether any companies or government entities did not certify or endorse their reporting templates. The IA does not identify any lack of certification nor how any gaps might affect the overall reliability of the reconciled data. As part of stakeholder consultations, the IA indicated that all government agencies reported appropriately and since no agency went against the requirements of the MSG on assurances, there was no need to state categorically that all of them complied with the requirements, as it was implied. It was also noted by the IA as part of consultation that the steps undertaken to assure data quality and comprehensiveness of government data in the 2017-2018 report were similar steps employed in the 2016 report which was found to be satisfactory. The MSG noted during the consutlations and in its comments on the assessment that the data presented was reliable and comprehensive and that all reporting entities certified their templates. This was supported by documentation submitted to the International Secretariat by the MSG, confirming that all government and company reporting entities that did submit information had complied with the assurances requested by the MSG.

Contextual information appears to be adequately sourced for both sectors, albeit not for all information. For example, the Minerals and Mining Act, 2006 is frequently mentioned in the Mining sector report without specific reference (source/link). Lastly, the 2017-2018 reports provide a status update on the implementation of recommendations from previous reports and highlight new recommendations.

Secretariat's Assessment

<u>The International Secretariat assessment is that progress has fallen below the required Standard on Requirement 4.9 and warrants consideration by the EITI Board, to be assessed as meaningful progress.</u> Aspects of the requirement have been adequately implemented: there is MSG oversight in the procurement of the IA and agreeing measures to ensure adequate data quality and assurances in accordance with the standard procedures endorsed by the EITI Board. There is evidence to suggest that recommendations made through EITI reporting are followed up. There is evidence to suggest that an assessment of the impact of non-reporting by material companies and out-of-scope companies was conducted by the IA for both sectors. However, there is no evidence to suggest an independent assessment of data reliability in the oil and gas EITI Report, which lacks a clear statement from the IA confirming the comprehensiveness and reliability of the overall data prese nted. Nonetheless, as the IA indicated in consultations that all government agencies reported fully in adherence with the MSG's approved assurance mechanism, reliability can be implied, even if not explicitly stated. This was supported by documentation submitted by the MSG. Given the importance of independent reliability and comprehensiveness assessments to EITI Reports to provide the reader with confidence of data

quality, these gaps warrant consideration by the EITI Board, for an assessment of meaningful progress.

In accordance with Requirement 4.9 and the standard Terms of Reference for Independent Administrators, Ghana should ensure that the Independent Administrator provides an assessment and categorical statements confirming the comprehensiveness and reliability of the (financial) data presented in future EITI reporting.

To strengthen implementation, Ghana may wish to ensure that non-financial (contextual) information in future EITI reporting are clearly and consistently sourced and that there is adequate guidance on how to assess any externally referenced information and data. In addition, the MSG is encouraged to ensure that summary data is consistently published at the same time with associated EITI Reports.

5.6 Assessment of subnational transfers (#5.2)

Findings from the previous Validation

The first Validation concluded that Ghana had made satisfactory progress in meeting Requirement 5.2. Ghana's first Validation found that the 2014 Ghana EITI mining report disclosed sub-national transfers and the applicable revenue sharing formula. No evidence suggests such revenues existed in Ghana's petroleum sector.

Progress since Validation

Since the first Validation, the distribution formula and flow of payments have changed for the Mineral Development Fund; mainly for mineral royalty payments.

Subnational transfers remain not applicable for the oil and gas sector, although the EITI Report continues to show that subnational transfers are applicable in the mining sector. The most recent mining report for Ghana identifies two revenues that are applicable for subnational transfers, according to a specific revenue-sharing formula.

Ground rent is payable at a statutory rate to the Office of the Administrator of Stool Lands (OASL), whose central office retains 10% while distributing the remainder to District Assemblies (49.5%), stool lands (22.5%) and Traditional councils (18%). While the report is quite clear regarding the statutory distribution rates and formula, it only reports the amounts due versus paid for the Western and Eastern regions in 2018. However, it is clear that material companies also operated in Ashanti, Brong Ahafo, and Central regions, though District Assemblies of these regions are not covered by the report. Stakeholder consultations confirmed that regions themselves do not receive any transfers, and the MSG maintained a position that all District Assemblies and Traditional Authorities relevant for Ground Rent transfers were covered by the EITI Report.

Mineral royalties are payable by all extractive companies to the consolidated government treasury. The 2017-2018 EITI Report refers to the Minerals Development Fund Act, 2016 (Act 912) on the distribution of mineral royalties to communities. According to the addendum to the EITI Report, 20% of these payments are allocated to the Mineral Development Fund, which is further split between the OASL (half of the 20%) and other mining sector institutions (half of the 20%). The OASL still retains 10% of its share of mineral royalties (i.e. 1%). The OASL further redistributes mineral royalties as per the same formula as indicated for ground rents. As of 2017, distributions for "other mining sector institutions" changed. Their half of the 20%, i.e. 10%, now is to be split as indicated in Annex C.

The addendum report is not clear in its interpretation of this distribution. Additionally, the EITI Reports only disaggregate the accrued versus actual distributions of mineral royalties by districts or other entities in some regions, and not by the subnational government entity (regional OASL office). The regions covered in the 2017-2018 Mining EITI Report are Ashanti, Brong Ahafo, and Western region, while the Central and Eastern regions do not seem to be covered. Stakeholder consultations indicated that accrued Mineral Royalties are available through the OASL website. However, the reports for different subnational entities contained tables without description, and it is not clear whether the data enables verification of *estimated* transfers in accordance with the relevant revenue formulas, versus *actual* transfers.

Secretariat's Assessment

The International Secretariat assessment is that progress has fallen below the required standard on Requirement 5.2 and warrants consideration by the EITI Board, for an assessment of meaningful progress. Subnational transfers are not applicable in the oil and gas sector. The report indicates applicable subnational transfers in the mining sector and discloses the statutory and actual distributions according to the formula for some regions. However, District Assemblies or other entities located in several regions are not reported for in terms of ground rent and mineral royalties, even if material companies did operate in the regions. Further explanation from the GHEITI secretariat shows that computations for ground rent and minerals royalties were done for only the regions where data was available. This implies a lack of comprehensiveness in disclosure.

In accordance with Requirement 5.2, Ghana should ensure that subnational transfers of extractive sector revenues are publicly disclosed, when such transfers are mandated by national law or other revenue sharing mechanism. In addition, Ghana should publish the detailed transfer amounts calculated in accordance with the relevant revenue formulas to each subnational entity under both the ground rent distributions of the Office of the Administrator of Stool Lands and for mineral royalty distributions that are distributed from the Mineral Development Fund. Lastly, Ghana should ensure actual transfers are disclosed in detail and summarised, highlighting any deviation from statutory calculations.

5.7 Assessment of beneficial ownership (#2.5)

Adherence to Requirement 2.5 on Beneficial ownership is assessed in Validation as of 1 January 2020 as per the framework agreed by the Board in June 2019[39]. The two-track approach assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.

Findings from the previous Validation

Progress on this requirement was highlighted as part of Ghana's first Validation but did not have a material implication on the overall assessment as implementing countries were not yet required to address beneficial ownership. Ghana's first Validation noted that the EITI's two-stage requirement on beneficial ownership disclosure (roadmap by 1 January 2017 and disclosure of beneficial owners in EITI Reports from 1 January 2020) appears to be well understood in Ghana, both across the NSC and among other stakeholders. Stakeholders in Ghana appeared committed to and in favour of beneficial

[39] Board decision 2019-48/BM-43: https://eiti.org/board-decision/2019-48

ownership transparency and prospects for a roadmap toward disclosure being presented before the end of 2016 seemed good.

Technical Assessment

The technical assessment is fully discussed in Annex A below.

Oil, Gas, and Mining

The 2017-2018 Oil and Gas and Mining EITI Reports refer to the Companies Act, 2019 (Act 992) which contains a definition and provides the legal basis for establishing and maintaining a public register of beneficial owners. Though there is no indication in the report on where or how to access the contents of the Companies Act, the Act is available on the GHEITI website since 24 February 2020[40]. The GHEITI Beneficial Ownership Roadmap published in 2016[41] provides a definition while the addendum to the EITI Report includes an updated definition of beneficial ownership based on the Companies Act (992). These demonstrate that there is a clear government policy to disclose beneficial ownership information in Ghana. The reports demonstrate that the MSG requested all material reporting companies to disclose beneficial ownership information though it is silent about the level of details requested. According to stakeholders, the Petroleum (Exploration and Production) Act, 2016 (Act 919) requires BO disclosures from applicants/bidders (both successful and unsuccessful) for oil and gas licenses. The Minerals and Mines Act 2006 (703) is currently under review and is expected to entrench BO disclosure for all companies. The addendum provides a link[42] to data collection template (BO Declaration form) which proved that all relevant data points were requested as per the EITI Standard. Minutes of MSG meetings and the Terms of Reference (TOR) for the Independent Administrator - published after the commencement of Validation - confirmed extensive MSG internal discussions and active engagement with the Register General Department on Beneficial ownership disclosure.

In terms of actual disclosures, all material EITI reporting oil and gas companies were requested to disclosure their Beneficial owners. Out of those, five extractive companies , all of whom are partners in the Jubilee field, provided beneficial ownership information. The data includes names of companies, percentage stake of the company (or affiliates) in the project, and whether companies are listed on stock exchanges. The report falls short of providing direct references (links) to listings online. Three (Tullow, Kosmos and Anadarko) of the five companies are noted to be publicly listed. One company (GNPC) is the national SOE while another (Petro SA) is noted to be owned by the government of South Africa. The disclosure did not identify any Politically exposed person (PEPs). In terms of actual disclosures in the mining sector, at least 12 companies out of all material reporting mining companies reported information on beneficial ownership. The data includes names of legal/beneficial owners, stake of the company in the project, whether and which stock exchange they are listed in (where applicable, names of stock listings are included but not links). Some descriptive information is provided for companies that are not publicly listed. The disclosure did not identify any Politically exposed person (PEPs).

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[40] Ghana Companies Act 2019 (Act 992): Availlable on GHEITI Website https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=40:acts-a-policy-documents&Itemid=54

[41] Ghana EITI beneficial ownership roadmap. Available at http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=288:ghanas-beneficial-ownership-road&id=18:workplans&Itemid=54 Assessed on 22.03.2020

[42] Beneficial Ownership Forms. Available on Register General's Department website: https://www.rgd.gov.gh/forms.html

In terms of data quality, the reports are silent about assurance mechanisms adopted. However, stakeholders noted during consultations that the Registrar General's Department (RGD) developed self-regulatory mechanisms, including systems for self-correcting checks of BO data, extra checks for high-risk sector such as the extractives sector and independent checks by sector regulators such as the Petroleum Commission and Minerals Commission. No specific information or reference is provided on the details of such extra checks. It can be confirmed that the BO Declaration form used by the Registrar General's Department includes an attestation by a senior company official (Director). In addition, the form includes an adequate level of details to ensure data completeness and outlines liability for defaulters. While the report did not discuss the comprehensiveness and reliability of data presented, the addendum notes that the information collected is "quite comprehensive" and reliable because most of the companies were listed on various stock exchanges. There is no evidence in the minutes of MSG meetings to demonstrate that the MSG also assessed the comprehensiveness of the data disclosed. The report notes that stakeholders, including the Registrar General's Department, will continue to address gaps but no clear steps are indicated. The 2020 workplan, published on the GHEITI Website on 30 April 2020[43], indicates that the MSG will support the coordination and implementation of the beneficial ownership roadmap, but actual activities to be undertaken are not clearly stated.

Assessment of effectiveness

To establish whether implementation of BO disclosures are addressing the overall objective of Requirement 2.5, an assessment of effectiveness was conducted in line with the two-phased approach. The International Secretariat's assessment of the technical requirements suggest gaps in the actual data disclosed and limited evidence of an assessment by the MSG of the comprehensiveness and reliability of the data disclosed. On disclosures, the data appears to have significant gaps with regards to comprehensiveness. Several data points were not provided for some companies. For instance, Ghana Bauxite Company Ltd stated that their beneficial owner owned 99% of its shares. However, there is no additional information on the owner, such as address, nationality, date of birth or other. In other instances, legal owners, instead of actual beneficial owners, are stated for Ghana Bauxite Company Ltd. In addition, no links were provided for publicly listed oil, gas and mining companies. On the MSG's assessment, the IA's statement regarding the comprehensiveness of reporting is not supported with adequate evidence. While the addendum and workplan noted that stakeholders, including the Registrar-General's Department, will continue to collaborate to address gaps, no clear steps are noted. Evidence of reliability is discussed for stock listed companies, though relevant link are not provided. There is no evidence in the minutes of MSG meetings to demonstrate that the MSG has assessed the comprehensiveness of the data disclosed.

In terms of implementation, the objectives of BO disclosure have remained a priority for Ghana since 2016. Ghana participated in the EITI beneficial ownership pilot and developed its roadmap[44] to guide implementation. As part of the implementation of Ghana's roadmap, GHEITI has engaged with stakeholders, with documentation suggesting that GHEITI has been coordinating and collaborating with key institutions including the Registrar-General's Department (RGD), Ghana Oil and Gas for Inclusive Growth (GOGIG), Strengthening Action Against Corruption (STAAC), Financial Intelligence Centre and relevant CSOs[45]. GHEITI was instrumental in the development and passage of the 2019

[43] GHEITI 2020 workplan. Available at https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=18:workplans&Itemid=54

[44] Ghana EITI beneficial ownership roadmap:
[45] Implementation Report: https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=15:implementation-reports&Itemid=54 See for example Draft Report on Beneficial Ownership Workshop

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amendments to the Companies Act 2016, which laid a legal basis for establishing a beneficial ownership register. Minutes of MSG meetings – published after the commencement of Validation – suggest extensive MSG discussions on BO, including in developing the BO template and engaging with relevant government entities such as the RGD[46]. These engagements have influenced the decision by the RGD to select the extractive sector for pilot data collection on BO. There is sufficient evidence in the EITI Report and minutes of MSG meetings to demonstrate progress in disclosing BO data. The MSG and RGD confirmed the progress in finalising the national registry to systematically disclose BO data and noted that it is expected to be in operation by October 2020. The Financial Action Task Force (FATF) Mutual Evaluation Report (MER) for 2017/2018[47] (based on information provided in October 2016) recognises some of the progress made in the implementation of BO including the development of a legal basis for BO data collection and disclosure.

Comments from stakeholders consulted suggest misunderstandings regarding the timeline for the assessment of BO at Validation. For example, the IA noted that an assessment of BO data comprehensiveness was de-emphasized since BO compliance was considered effective only in the 2020 reporting year. The argument was supported by the MSG who asserted their understanding that BO disclosure was required from January 2020 and as such, an assessment of 2017-2018 reporting years should not include BO. It is noteworthy that as per the two-phased framework agreed by the Board in June 2019, Validations in 2020 are expected to document progress towards BO disclosure.

Secretariat's Assessment

The Secretariat's assessment is that Ghana has made meaningful progress on Requirement 2.5. Significant elements of the initial criteria for assessing Beneficial ownership disclosure have been met. A clear government policy and legal basis have been given to beneficial ownership disclosure in Ghana. All material companies have been requested to disclose information based on a comprehensive template, that includes assurance mechanism. Actual disclosures show progress, albeit existing gaps and missing data points. While efforts have been undertaken to promote effective disclosures, there remain substantial gaps. No evidence exists of the MSG's assessment of comprehensiveness and reliability as well as plans to overcome gaps or weaknesses in reporting. However, an opportunity remains for the MSG to identify the full scope of gaps and develop clear steps to address the requirement. The International Secretariat takes cognizance of the previous and ongoing efforts by the RGD, GHEITI and other stakeholders to systematically disclose beneficial owners through an online register.

In accordance with Requirement 2.5, Ghana should work together with the Registrar General's Department and other relevant stakeholders to ensure that extractive sector beneficial ownership information is comprehensively and publicly disclosed. This should include the identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted and information about Politically Exposed Persons (if any). Information on how to access publicly listed companies' information should be made available. The MSG should fully assess existing disclosures and document clear steps to address gaps.

To strengthen implementation, Ghana is encouraged to work with the RGD to ensure systematic disclosure of beneficial ownership information in accordance with Requirement 2.5.

[46] Minutes of MSG Meetings (See for example meeting on 9.05.2019). Available at https://tinyurl.com/vhlhqc2. Published on 27.04.2020. Accessed on 07.04.2020
[47] Financial Action Task Force (FATF) Mutual Evaluation Report (MER) for 2017/2018: https://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/GIABA-Ghana-MER-2018.pdf

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5.8 Assessment of project-level reporting (#4.7)

Findings from the previous Validation

The first Validation found that Ghana had achieved satisfactory progress on Requirement 4.7. Ghana's first Validation indicated that 2014 EITI Reports disclosed revenue data by individual company, government entity, and revenue stream. Project-level reporting was not yet applicable, as reporting did not include fiscal years ending on, or after, 31 December 2018.

Progress since Validation

This requirement was assessed in accordance with the EITI Board's decision of March 2017, that project-level reporting is required for all reports covering fiscal years ending on or after 31 December 2018 onwards.[48,49]

The 2017-2018 EITI Reports for mining and petroleum, both disaggregate financial data by individual company, central government entity and revenue stream. There are some concerns related to disaggregation of revenues of subnational **mining** payments, although these revenues comprise of roughly 0.2% of total mining revenues.

Both reports include sections on project-level reporting, by referring to the Income Tax Act of 2015.[50] The act defines "separate mining operations" for tax purposes, and both reports apply this definition, with an additional reference to a practice note of the GRA.[51] Effectively, for **mining** operations this definition allows companies to aggregate or ring-fence their operations at a single processing facility, regardless of the number of licenses or their interconnectedness. The report therefore argues that companies already report by project, given this ring-fencing for tax purposes. The **oil and gas** report refer to a similar ring-fencing definition of oil and gas operations to a single "development and production plan approved by the Minister of Energy". The oil and gas report itself does not attempt to identify which development or production plans exist for various petroleum operations, making it difficult to ascertain the level of aggregation of tax payments. Neither EITI Reports indicates which payments and revenues are levied or imposed on other levels, such as non-tax payments.

For the **mining** sector, the EITI Report does not clarify which payments may be imposed or levied on licenses, contracts, or Mineral Leases, although the report explicitly states that some of these agreements may alter the terms and payment obligations that companies are subject to. The Minerals and Mining Act 2006 and its Minerals and Mining (General) Regulations 2012 suggests that some payments, such as Mineral Royalties, are levied on a per Mining Lease or Restricted Mining Lease. dDisclosures at the lease level appear to be accessible for royalties and other payments through the Ghana Mining Repository. However comments by the MSG suggests that the GRA may not record

48 EITI (2017), 'The Board reaffirmed that project-level reporting is required.' Available at: https://eiti.org/board-decision/2017-14. Accessed on 26 March 2020.

49 EITI (2016), 'EITI Standard 2016: Requirement 4.7'. Available at: https://eiti.org/document/eiti-standard-requirements-2016#r4-7. Accessed on 26 March 2020.

50 Ghana Revenue Authority (2015), 'Income Tax Act no 896 of 2015'. Available at: https://gra.gov.gh/wp-content/uploads/2018/11/INCOME-TAX-ACT-2015-ACT-896.pdf. Accessed on 19 March 2020.

51 Ghana Revenue Authority (2016), 'Practice Note on Separate Petroleum Operation under the Income Tax Act, 2015'. Available at: https://gra.gov.gh/wp-content/uploads/2019/06/Practice-Note-on-Separate-Petroleum-Operation.pdf. Accessed on 20 March 2020.

these at the lease level.[52] The MSG confirmed that Ground Rents are levied on a per-concession or -lease basis, but that no revenues were disaggregated as such.

For **oil and gas** companies, the report does not clarify the relationship or difference between contract areas, fields, petroleum agreements, nor the development and production plans. The report does disaggregate surface rents by contract area, while corporate income taxes, CAPI and royalties are disaggregated by fields. There are thus some disclosures by projects. MSG consultations clarified that Surface Rental and Signature Bonuses are levied at contract area and petroleum agreement, respectively. Surface rentals were disaggregated by contract area in Table 4.16, while no signature bonuses were reported for the oil and gas sector during the reporting period.

A review of MSG meeting minutes shows that the MSG has considered project-level definitions at their 9 May 2019 meeting, but concluded that disclosures were already disaggregated by project and that no further action was required. The meeting minutes also note that a technical working group was formed to develop reporting templates for reporting by project. No evidence has been located to suggest that a reporting template was developed.

While neither report seems to reference or compare to EU Directives' definitions, nor the equivalent definition of the 2019 EITI Standard, MSG members consulted indicated that they consider GHEITI's reporting as equivalent.

In their comments on the draft assessment, the MSG confirmed that royalties are not relevant to disaggregate on a lease basis, stating that Ghana uses a central processing plant as the basis for reporting. For petroleum companies, the comments of the MSG state that only surface rentals are applicable for project-level reporting and not other payments such as Carried and Participating Interests or royalties. With regards to in-kind revenues, data on volumes of the state's share of gas production collected in kind are disaggregated by field in Table 3.10, although not disaggregated by revenue stream.

Secretariat's Assessment

The International Secretariat's assessment is that Ghana has made meaningful progress in meeting Requirement 4.7 on project-level reporting. The most recent mining and petroleum EITI Reports disaggregate financial data by company, central government agency and revenue stream. While Ghana has begun its efforts to consider project-level disclosures, as required for all fiscal years ending on or after 31 December 2018, EITI reporting to date at a project level has been partial. The International Secretariat recognises that some payment obligations of Ghana may be ring-fenced for tax purposes, however, there is insufficient documentation to conclude that mining or petroleum sectors disaggregate payments by "projects" as defined by the EITI Standard.[53] EITI Reports do not identify which legal agreements (i.e. leases, concessions, licenses or other) constitute substantially interconnected agreements for either sector. No payments reported were aggregated to levels commensurate with the definition of project in the EITI Standard. Furthermore, in-kind revenues from gas production are not disaggregated by revenue stream.

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[52] Minerals Commission (2018), 'Ghana Mining Repository: Payments'. Available at: https://ghana.revenuedev.org/payment. Accessed on 19 March 2020.

[53] A project is defined as operational activities that are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, the multi-stakeholder group must clearly identify and document which instances are considered a single project.

In accordance with Requirement 4.7, Ghana should ensure that EITI data is disaggregated by individual project, according to the definition provided in the 2019 EITI Standard: *"A project is defined as operational activities that are governed by a single contract, license, lease, concession or similar agreement, and forms the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, the multi-stakeholder group must clearly identify and document which instances are considered a single project. [...] Where a payment covered by the scope of EITI disclosures is levied at entity level rather than at project level, the company may disclose the payment at the entity level."*

6 Conclusion

Having reviewed the steps taken by Ghana to address the two corrective actions requested by the EITI Board as of the commencement of its second Validation on 27 February 2019, it can be reasonably concluded that while considerable improvements havd been made to address the corrective actions relating to comprehensiveness (Requirement 4.1) and quasi-fiscal expenditure (Requirement 6.2), these have not been fully addressed and that Ghana has made meaningful progress in implementing the requirements with considerable improvements. The Secretariat's assessment found evidence to suggest progress has fallen below the required standard on Requirements 4.9, and 5.2 and warrant consideration by the EITI Board, for an assessment of meaningful progress. An additional assessment of beneficial ownership suggests that Ghana has achieved meaningful progress in implementing Requirement 2.5. Also, given that project level reporting has become mandatory for reports covering 2018 and onwards, Requirement 4.7 was assessed and Ghana was found to have achieved meaningful progress in implementing the requirement.

The areas of improvement relate to beneficial ownership (Requirement 2.5), comprehensiveness (Requirement 4.1), disaggregation (Requirement 4.7), data quality (Requirement 4.9), subnational transfer (5.2) and quasi-fiscal expenditure (Requirement 6.2).

Annexes

Annex A: Progress in addressing individual EITI Requirements

6.1 Assessment of license allocations (#2.2)

Findings from the previous Validation

The first Validation concluded that Ghana had made satisfactory progress in meeting Requirement 2.2. The 2014 EITI oil, gas and mining reports, based on which the Validation was conducted, comprehensively disclosed the respective process for awarding licences. In the absence of any transfers of licenses within the reporting period, neither reports addressed the process of transferring licenses. License awards were comprehensively listed, including awards to companies that were not subsequently subject to EITI reporting. The efficiency and effectiveness of licensing procedures were discussed in the reports, leading to recommendations for change which had potentially contributed to ongoing sector reforms at the time.

Progress since Validation

In its two most recent EITI Reports and associated addendum, covering mining and petroleum sectors respectively, Ghana EITI provides information with a view of providing clarity on, amongst other requirements, license allocation.

Oil and Gas

The 2017-2018 Oil and Gas EITI Report adequately covers several aspects of Requirement 2.2. The report identifies six awards of oil and gas licenses in the 2017-2018 period. Three different processes of awarding licenses exist: competitive bidding (3 blocks), direct negotiation (2 blocks) and preferential assignment of petroleum rights to Ghana National Petroleum Company (1 block was reserved for GNPC). Each process is adequately described in the EITI Report. The technical and financial criteria for awarding licences are stated in the report, while the addendum to the report provides details and further clarity on evaluation framework and criteria used for awarding licenses as well as the bidding process. With regards to the competitive bidding process specifically, the report confirms the number and names of all companies that submitted bids. The bidding process and criteria are summarised in the report, with references to the Petroleum (Exploration and Production) (General) Regulations, 2018 (LI 2359)[54]. The report also confirms that no substantial

[54] Petroleum (Exploration and Production) (General) Regulations, 2018 (LI 2359). Accessed on 15 June 2020. Available at: http://www.petrocom.gov.gh/L&C_folder/Pet_register/laws/PETROLEUM%20(EXPLORATION%20AND%20PRODUCTION)%20(GENERAL)%20REGULATIONS).%202018%20(L.I%202359).pdf

deviations from the established framework occurred during the period under review. A complete list of all oil and gas licenses, including awards granted before 2017 and licenses held by out-of-scope companies, are systematically disclosed on the Ghana Petroleum Register.[55]

The Oil and Gas EITI Report and the addendum note one transfer of an oil and gas license in the 2017-2018 period. According to the report, Aker Energy AS completed the acquisition of Hess Corporation's Ghana unit in a USD 100m deal, gaining access to a 50% interest in the Deepwater Tano Cape Three Points (DWCTP) block. The process involved in the transfer is summarised in both the report and the addendum. However, the financial and technical criteria for the transfer of oil and gas licenses are not discussed in the report. As part of stakeholder consultations, the Independent Administrator (IA) confirmed that the omission was a mix-up. As such, the addendum referred to systematically disclosed information on transfer criteria in the Petroleum (Exploration and Production) (General) Regulations), 2018 (L.I. 2359) and the Petroleum (Exploration and Production) Act, 2016 (Act 919)[56]. Section 26 of the LI.2359 on change of ownership notes the role of the Minister or Commission in the transfer of license (clause 1) and suggests that the same technical and financial criteria for the award of licenses are applied by the Minister or Commission in the process of transferring licence (Clause 2 and 3).[57]

The report comments on the efficiency of the bidding process, noting that the open competitive bidding was conducted simultaneously during the period of direct negotiation, thereby discouraging some companies from submitting bids for the open competitive bidding round.

Mining

The 2017-2018 report adequately covers several aspects of Requirement 2.2. The report lists 50 and 22 mining license awards in 2017 and 2018 respectively, disaggregated by type. A total of 206 and 364 applications were filed in 2017 and 2018 respectively (p.42). The process for awarding licences – on a first come first serve basis – is adequately described in the report. The report lists documents necessary for applying for different types of licenses as well as the criteria for granting those licenses. The role of a technical committee that considers the application and grounds for granting award for mining leases and reconnaissance licenses are briefly explained in the report. The exact technical and financial criteria for awarding mining license are detailed on the GHEITI website[58], though not referred to in the report. It also notes that the Minerals Commission does not apply weightings to the criteria for granting of Mineral Rights as it is a qualitative assessment on First- come- first -served basis. The EITI Report confirms that no deviations from the processes set out in the Minerals and Mining Act 2006[59] were identified during 2017 and 2018. Stakeholders consulted did not raise any concern in this regard. While the report does not provide, a complete list (names) of all mining licenses, awards granted before 2017 and licenses held by out-of-scope

[55] Ghana Petroleum Register, Section on Contract Areas. Available at https://www.ghanapetroleumregister.com/contract-areas. Accessed on 22.03.2020
[56] Petroleum (Exploration and Production) (General) Regulations, 2018 (LI 2359). Accessed on 15 June 2020. Available at: http://www.petrocom.gov.gh/L&C_folder/Pet_register/laws/PETROLEUM%20(EXPLORATION%20AND%20PRODUCTION)%20(GENERAL)%20REGULATIONS),%202018%20(L.I%202359).pdf
[57] ibid. See more relevant legislation here https://www.ghanapetroleumregister.com/laws
[58] GHEITI (26 February 2020). Technical and Financial Criteria Report. Avaiable on https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=19:validation-reports&Itemid=54
[59] Minerals and Mining Act 2006. Accessed on 15 June 2020. Available at: https://resourcegovernance.org/sites/default/files/Minerals%20and%20Mining%20Act%20703%20Ghana.pdf

companies, are systematically disclosed on the Ghana Mining Cadastre Administration System (MCAS). [60] While there appeared to be inconsistencies in the number and description of licenses reported in the report and the Cadastre, these were clarified during stakeholder consultation (See Annex A for more details).

The 2017-2018 Mining EITI Report does not cover license transfers, i.e., the number, the process and the criteria. The addendum provides information of the names of license holders and transferees, disaggregated by type of license: 31 transfers in 2017 and 13 transfers in 2018. However, no information on the process, technical and financial criteria were located. Stakeholders consulted confirmed that information relevant to transfers is in the Minerals and Mines Act 2006 and the Minerals & Mining (Licensing) Regulations LI 2176, albeit not providing any publicly assessible reference source. Both legislations can be located on the Minerals Commission website but under a paywall. The Act is available on a third-party source – NRGI's resource governance website[61]. Section 14 of the Minerals and Mining Act 2006 mainly stipulates that a mineral right shall not in whole or in part be transferred without the prior approval in writing of the Minister, whose approval shall not be unreasonably withheld or given subject to unreasonable conditions. However, the International Secretariat did not locate - in the legislation nor the EITI Report, any technical and financial criteria based on which transfers are granted by the Minister. However, during further consultation, GHEITI secretariat highlighted that the technical and financial criteria for allocation of license also applies to license transfer, this position seems to be endorsed by the MSG[62]. However, both the Minerals and Mines Act (2006)[63] and the technical and financial criteria for awarding minerals license published through GHEITI website[64] (extracted from the Minerals and Mining (Licensing) Regulations,2012,L.I 2176)[65] have not indicated that the technical and financial criteria for awarding license applies to license transfer. Because there were no transfers of mineral rights in 2014, Ghana's first Validation did not consider the lack of transfer criteria in the 2014 EITI Report as having a material impact on the assessment of this requirement.

The report comments on the efficiency of the mining cadastre, noting that the mining cadastre should be completed with licence transfers, terminations as well as gold buying permits and licences. It must be noted that the Ghana Mining Repository (cadastre) appears to include information of cancelled, expired and surrendered licences as well as ASM licenses as of 22 March 2020.

It is worthy to note that to improve systematic disclosures, the 2019 GHEITI Workplan [66] (Objective 7: Enhanced transparency in license allocations through mainstreaming) included steps to update the Petroleum Commission (PC) website with information on the process for awarding oil and gas licenses

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60 Ghana Mining Repository. Accessed on 22 March.2020. Available at https://ghana.revenuedev.org/dashboard.

61 Minerals and Mines Act 2006. Available at https://resourcegovernance.org/sites/default/files/Minerals%20and%20Mining%20Act%20703%20Ghana.pdf. Also listed on Minerals Commission website without a working link.

62 The email shared to state this position had the MSG chair in copy

63 Minerals and Mining Act 2006. Accessed on 16 July 2020. Available at: https://resourcegovernance.org/sites/default/files/Minerals%20and%20Mining%20Act%20703%20Ghana.pdf

64 GHEITI Technical and Financial Criteria Report. Accessed on 16 July 2020 Avaiable at: https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=19:validation-reports&Itemid=54

65 The regulation is not publicly accessible through any government website

66 Ghana Extractive Industries Transparency Initiative (GHEITI) 2019 Annual Workplan. Available at https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=18:workplans&Itemid=54. Assessed on 23. 03.2020

through direct negotiations, including technical and financial criteria, and for transferring participating interests. The plan also notes steps to update the MCAS with information on the first-come-first-served process for mining license awards, including technical and financial criteria and license transfer.

Secretariat's Assessment

If the Board considers the information provided after the commencement of Validation, the International Secretariat assessment is that Ghana continues to make Satisfactory Progress on Requirement 2.2. The processes, technical and financial criteria for awarding oil, gas and mining licenses are either systematically disclosed or captured in EITI reporting. A complete list of all oil, gas and mining licenses including awards granted before 2017 are systematically disclosed on the Ghana Petroleum and Mining Registers. No material deviations are noted in the years under review. The oil and gas transfer process and evaluation criteria (both technical and financial) are explained in the report, addendum and government legislations. While aspects of the requirement has been met, the International Secretariat's initial assessment is that the current reporting and systematic disclosures have not fully cover the technical and financial criteria for transferring licenses in the mining sector. However the MSG has provided clarity that the technical and financial criteria for awarding license applies for transfer of license. Unlike Ghana's first Validation where license transfers were not relevant, the existence of substantial number of transfers in 2017 and 2018 has warranted a material assessment of the technical and financial criteria for the transfer of mining license.

To strengthen implementation, the MSG should consider working with the Petroleum Commission and Minerals Commission to systematically disclose all relevant information on license allocation. The MSG should ensure that future EITI reporting consistently references relevant publicly available information.

6.2 Assessment of SOE transactions (#4.5)

Findings from the previous Validation

The second Validation concluded that Ghana had achieved satisfactory progress on Requirement 4.5. Validation found that the 2016 EITI Report disclosed and reconciled companies' in-kind payments to GNPC, even when identifying significant gaps the reconciliation of in-kind gas revenues. The report confirmed the lack of dividend payments from GNPC and disclosed budget transfers to GNPC, though these were not reconciled. Even so, these transfers from state budget to GNPC were reflected in both GNPC's 2016 audited financial statements and the 2016 national budget.

Progress since Validation

Since the commencement, in addition to the reports highlighted under chapter 5.1 of this assessment, Ghana National Petroleum Corporation (GNPC) published its 2017 Consolidated financial statements that were subject to external audit. The audit procedure for 2018 Consolidated financial statements was not concluded by the commencement of Validation and was not published by the time of writing (see Requirement 2.6 for further details).

SOE transactions are not applicable for Ghana's mining sector, given the lack of material SOEs (*see Requirement 2.6*). EITI reporting for the oil and gas sector does not use a separate materiality threshold to determine whether SOE transactions are material, and thus the general materiality threshold for revenue streams is applied (USD 9 739 802 in 2018).

The EITI Reports indicate that GNPC's transfer of proceed from oil and gas sales form part of SOE transactions, but furthermore does not identify other material transactions between SOEs, nor between SOEs and government. Section 4.6 of the report referring to SOE transactions refer to section 2.6 on state participation. Neither seem to contain any indication of SOE transactions. However, GNPC's transfers to the PHF, which amounted to USD 814m in 2018, are reconciled, as are GNPC's receipts of in-kind revenues from companies. Budgetary transfers to GNPC are also unilaterally disclosed, though not reconciled. However, the Secretariat did locate publicly accessible budget execution reports confirming these transactions.[67]

EITI reporting does not identify other transactions from companies to GNPC, nor identify other material transfers between GNPC and other government entities. However, its audited financial statement for 2017 (ref. note 18) indicate that additional transactions occurred, though it is unclear which transactions occurred in 2017 or 2018. These issues were not considered in the EITI Report. Non-publicly accessible documents[68] provided through consultation confirmed that these transactions were not material.

Secretariat's Assessment

<u>The International Secretariat assessment is that Ghana continues to make satisfactory progress on Requirement 4.5</u>. Transactions of mining SOEs continues to be not applicable in the period under review. However, there are concerns of methodological issues in determining material transactions related to SOEs, any omission of reconciliation was alleviated by external sources confirming the non-materiality of payments, despite lack of coverage in EITI reporting. The oil and gas report lacks an explicit materiality threshold for selecting SOE transactions, and the 2017-2018 oil and gas EITI Report therefore *de facto* applies the same general materiality threshold as for revenue streams. EITI reporting does cover the largest and most significant transfers in Ghana's oil and gas sector, although there are concerns related to the lack of reconciliation of budget transfers to GNPC, and methodological concerns regarding the lack of materiality considerations of other transactions of GNPC, including dividend incomes of GNPC from joint ventures and

[67] Ministry of Finance (2019), 'End-Year Report on the Budget Statement and Economic Policy of the Republic of Ghana for the 2018 Financial Year'. Page 17. Available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2018-CONSOLIDATED-MDAs-ANNUAL-BUDGET-PERFORMANCE-REPORT-Final.pdf. Accessed on 9 July 2020.
[68] Ghana EITI and GNPC provided a non-public copy of the 2018 audited financial statements.

subsidiaries. While neither of these transactions were material for 2017 according to GNPC's audited financial statements, non-publicly accessible data for 2018 seem to indicate that there were indeed other transfers during the reporting period, though they did not seem to be of material significance. The budgetary transfers from the Petroleum Holding Fund to GNPC be available through reliable and publicly accessible reports, even if not reconciled.

To strengthen implementation, Ghana is recommended to revisit their procedures for ensuring comprehensive disclosure and reconciliation of transactions of state-owned enterprises, with the aim to ensure that all transactions of SOEs with government – and payments from extractive companies, subsidiaries and joint ventures – are reported and considered for materiality. Where material, Ghana should ensure that all transactions are reported and reconciled.

Requirement 2: Legal and institutional framework, including allocation of contracts and licenses.

EITI Requirement	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Contract and license allocations (#2.2)	A comprehensive list of mining, oil and gas license awards has been disclosed, including information on the identity of recipients (#2.2. a)	**Oil and Gas**: The 2017-2018 oil and gas report confirmed that six licenses were awarded in 2018. Three of the awards were through competitive bidding as part of Ghana's first open competitive bidding round. The report confirmed the recipients and associated blocks.	**Oil and Gas:** 2017 - 2018 Oil and Gas EITI Report (p.20-21, 32-36). Ghana Petroleum Register, Section on Contract Areas. Available at https://www.ghanapetroleumregister.com/contract-areas. Accessed on 22.03.2020	Stakeholders confirmed that the available information on licences awarded/transferred in the report, the addendum and systematically disclosed are comprehensive. The IA clarified some of the inconsistencies in the EITI Report. For	Satisfactory Progress	

		It also confirmed the recipient of two licenses awarded through direct negotiation as mandated by law. According to the report, one license was reserved for the Ghana National Petroleum Corporation (GNPC). The report referred to the Ghana Petroleum Register (under contract areas section) which includes detailed information on petroleum agreements in Ghana. An addendum to the Report was published by the MSG through the GHEITI website on 26.02.2020. The addendum confirmed the number of awards	GHEITI (26/02/2020). Addendum to 2017/2018 GHEITI reconciliation reports. Available at http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 22.03.2020 Petroleum (Exploration and Production) Act, 2016 (Act 919). Available at http://www.petrocom.gov.gh/L&C_folder/Pet_register/laws/PETROLEUM%20(EXPLORATION%20AND%20PRODUCTIO	example, it was explained as part of consultant that the Cadastre data is the repository for all mining license including what has been granted in the reporting period. There exist differences between the number of applications and licenses granted because not all applications may satisfy the requirements for grant of license during the reporting period. Also, some of the types of licenses which were not clarified in the EITI Report were further clarified by the IA during consultation. This includes for example		

		and provided additional details of blocks awarded, the various means of awarding licenses and the specific evaluation and assessment criteria used for awarding licenses. It also referred to systematically disclosed information, through legislations available on government websites, on the transfer of licenses **Mining**: The 2017-2018 mining report provided information on the number of license applications and awards in 2017 and 2018 disaggregated by type of license. The data suggested that 50 and 22 licenses	N)%20(GENERAL)%20REGULATIONS),%202018%20(L.I%202359).pdf. See more relevant legislation here https://www.ghanapetroleumregister.com/laws **Mining** 2017 - 2018 Mining EITI Report (p.38-43). Ghana Mining Repository. Available at https://ghana.revenuedev.org/dashboard . Accessed on 22.03.2020 GHEITI (26/02/2020). Addendum to 2017/2018 GHEITI reconciliation reports. Available at	Prospecting Licence for large scale mining and Prospecting License for mining of sand and gravel.		

		were awarded in 2017 and 2018 out of a total 206 and 364 applications in 2017 and 2018 respectively (p.42). The report referred to the Ghana Mining Cadastre Administration System (MCAS) which maintains a complete list of all license application, awards, transfers etc. However, there appears to be inconsistencies in the numbers reported in the report and the Cadastre. In addition, there appears to be unexplained irregularities between the data presented in the report on mining license applications and awards. For	http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 22.03.2020			

		instance, while there were no applications for 'License to deal in Mineral', 11 of those were awarded in 2017 and 8 in 2018. Since the data is systematically disclosed in the mining cadastre, potential errors and inconsistencies in EITI Reports do not represent substantial gap, rather, an area for improvement in future reporting. The 2017-2018 mining report also provides information on licenses in the ASM sector.				
	The process for awarding mining, oil and gas licenses has been	**Oil and Gas:** The 2017-2018 Oil and Gas Report summarised three	2017 - 2018 Oil and Gas EITI Report. Section on		Satisfactory Progress	N. A

	comprehensively disclosed, including technical and financial criteria assessed (#2.2. a)	different processes of licence allocation. These include the competitive bidding process, direct negotiation (p.35) and assignment of a petroleum block to the National Oil Company (NOC) (p.35). The Report refers to the Ministry of Energy and Petroleum Commission for more information on the processes (p.35). The technical and financial criteria for awarding licenses were partly outlined in the Report and fully outlined in the Petroleum (Exploration and Production) Act 2016 and Petroleum (Exploration and	License allocation p.32-36. 2017 - 2018 Mining EITI Report. Petroleum (Exploration and Production) (General) Regulations, 2018 (LI 2359). Accessed on 15 June 2020. Available at: http://www.petrocom.gov.gh/L&C_folder/Pet_register/laws/PETROLEUM%20(EXPLORATION%20AND%20PRODUCTION)%20(GENERAL)%20REGULATIONS),%202018%20(L.I%202359).pdf			

		Production) (General) Regulations, 2018 (LI 2359) and the available on the Ministry of Energy and Petroleum Commission website, according to the Report. In addition, the addendum provided specific comprehensive details about the financial and technical evaluation criteria used in awarding specific blocks in 2017-2018. Section 10 of the Act 2016 as well as section 19 of the regulations 2018 both discuss direct negotiation indicating that the same financial and technical criteria noted in the addendum is				

		applied "where the Minister receives more than one expression of interest (for direct negotiation). **Mining**: According to the Report, licensing allocation is on a first-come-first-served system (p.38). The processes involved, and documents required, in allocating different types of mining licenses were disclosed. The exact technical and financial criteria for awarding mining license are detailed on the GHEITI website, though not referred to in the report. It also notes that the Minerals Commission does not apply weightings to the				

		criteria for granting of Mineral Rights as it is a qualitative assessment on First- come- first - served basis. The Report noted that a technical committee comprising representatives from the Minerals Commission, the Environmental Protection Agency (EPA), and the Geological Survey Department considers the application using the information supplied by the applicant, together with the certificate of service of Notice from the District Assembly. ,				

	Information on any non-trivial deviations from the applicable legal and regulatory framework governing license awards has been comprehensively disclosed (#2.2. a)	**Oil and Gas:** The report confirmed that there were no deviations from the established framework for the allocation of contracts during the period under review. **Mining:** The report stated that no deviations from the processes set out in the Minerals and Mining Act were identified during 2017 and 2018.	2017 - 2018 Oil and Gas EITI Report (p.36). 2017 - 2018 Mining EITI Report (p.41).	The MSG confirmed that there were no material deviations in the award and transfers of licences in 2017 and 2018. No additional concerns were raised regarding the allocation of license in Ghana.	Satisfactory Progress	N. A
	A comprehensive list of mining, oil and gas license transfers has been disclosed, including information on the identity of recipients (#2.2.a)	**Oil and Gas:** The 2017-2018 oil and gas report noted one license transfer in 2018. The report provided a summary of the transfer between Hess Corporation and Aker Energy	2017 - 2018 Oil and Gas EITI Report (p.20-21, 32-36). Ghana Petroleum Register, Section on Contract Areas. Available at https://www.ghanapetroleumregister.com/contract-areas	The MSG and IA confirmed that only one transfer occurred in the years under review. The MSG and IA confirmed that Section 15 of Petroleum Regulation 2018	Meaningful Progress	In accordance with Requirement 2.2, Ghana should disclose the technical and financial criteria for mining license transfer as well as the specific evaluation

		Ghana. The addendum to the report confirmed the number of transfers and provided additional details. **Mining**: The 2017-2018 report did not state or clarify whether there was any transfer of licenses in 2017 and 2018. However, the addendum provided the names of license holders and transferees disaggregated by type of license for 31 transfers in 2017 and 13 transfers in 2018 (p.16 and 17).	Accessed on 22.03.2020 2017 - 2018 Mining EITI Report (p.38-43). GHEITI (26/02/2020). Addendum to 2017/2018 GHEITI reconciliation reports. Available at http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 22.03.2020	(L.I 2359) provides adequate information on the criteria for approving oil and gas licence transfer and that there were not additional criteria for evaluating license transfers in the oil and gas sector. On the lack of information on technical and financial criteria for the transfer of oil and gas licenses in the EITI Report, the Independent Administrator confirmed that indeed they are specific financial and technical criteria used in evaluating and approving the transfer of petroleum license		framework applied. To improve implementation, the MSG should consider working with the Petroleum Commission and Minerals Commission to systematically disclose all relevant information on license allocation. The MSG should ensure that future EITI Reporting consistently references relevant publicly available information
	The process for transferring mining, oil and gas licenses has been	**Oil and Gas**: The 2017-2018 report did not cover the process, technical	2017 - 2018 Oil and Gas EITI Report (p.20-21, 32-36).			

	comprehensively disclosed, including technical and financial criteria assessed (#2.2.a)	and financial criteria for transferring oil and gas license. Section 15 of Petroleum Regulation 2018 (L.I 2359). Which is systematically disclosed, explains that a written approval of the Minister in the case of a contractor, or the Petroleum commission, in the case of a sub-contractor is needed to approve any transfer. The addendum described the process of transfer between Hess and Aker. **Mining**: There is no information on the process, technical and financial criteria for transferring licenses in the	Ghana Petroleum Register, Section on Contract Areas. Available at https://www.ghanapetroleumregister.com/contract-areas Accessed on 22.03.2020 2017 - 2018 Mining EITI Report (p.38-43). GHEITI (26/02/2020). Addendum to 2017/2018 GHEITI reconciliation reports. Available at http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54.	and that these were included in the draft report but not in the final report. As such, the addendum referred to systematic disclosure of transfer criteria in the Petroleum (Exploration and Production) (General) Regulations), 2018 (L.I. 2359) and the Petroleum (Exploration and Production) Act, 2016 (Act 919). In both legislations, the main criteria is that a contractor shall not transfer a share of that contractor's incorporated company to a third party or affiliate without the written approval of the Minister.		

		report or the Addendum. While not directly referred to in the report – in relation to license transfer – stakeholders confirmed that the information was in the Minerals and Mines Act 2006. Section 14 of the Minerals and Mining Act 2006 stipulates that a mineral right shall not in whole or in part be transferred without the prior approval in writing of the Minister, which approval shall not be unreasonably withheld or given subject to unreasonable conditions. However, the legislation, nor the EITI Report clearly	Accessed on 22.03.2020 Ghana Extractive Industries Transparency Initiative (GHEITI) 2019 Annual Workplan. Available at https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=18:workplans&Itemid=54. Assessed on 23. 03.2020 Minerals and Mines Act 2006. Available at Resource governance website: https://resourcegovernance.org/sites/default/files/Minerals%20and%20Mining%20Act%20703%20Ghana.pdf.	On the process and criteria for transferring mining licenses, stakeholders confirmed that the information is publicly available, i.e., section 11 of Minerals and Mining Act, 2006 (Act 703) & Minerals and Mining (Licensing) Regulations, 2012 provide the criteria for license transfer. LI 2176. However, no links were provided to where these legislations could be publicly assessed.		

		stipulates the technical and financial criteria based on which transfers are granted by the Minister. No official link to government website was provided by the MSG. The Act is publicly available on NRGI's resource government website. The 2019 Workplan (Objective 7: Enhanced transparency in license allocations through mainstreaming) included steps to update the MCAS with information on the first-come-first-served process for mining license awards, including technical and financial criteria,				

		and license transfer. However, the International Secretariat had not come across this information on the Minerals Commission (MC) website and there is currently no publicly available 2019 Annual Progress Report to provide an update on the status of implementation				
	Information on any non-trivial deviations from the applicable legal and regulatory framework governing license transfers has been comprehensively disclosed (#2.2.a)	**Oil and Gas**: The report confirms that there were no deviations from the established framework for the allocation of contracts during the period under review **Mining**: The report states that no deviations from the processes set out in	2017 - 2018 Oil and Gas EITI Report (p.36). 2017 - 2018 Mining EITI Report (p.41).			

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		the Minerals and Mining Act were identified during 2017 and 2018.				
	The list of applicants and the bid criteria related to any bidding processes that took place in the accounting period covered by EITI reporting have been comprehensively disclosed (#2.2.c)	**Oil and Gas**: The report confirmed that a total of sixteen companies that applied following the initial call for expression of interest. Out of the 16, only 3 eventually submitted bids for one or more of five offshore blocks in the country's first exploration licensing round. The 16 companies are listed in the report. The bidding process and criteria are summarised in the report. The Petroleum (Exploration and Production) (General)	2017 - 2018 Oil and Gas EITI Report (p.20, 33, 34) The Petroleum (Exploration and Production) (General) Regulations, 2018 (LI 2359. Available at https://www.ghanapetroleumregister.com/laws. Accessed on 22.03.2020 2017 - 2018 Mining EITI Report (p.38).	N. A	Satisfactory Progress	N. A

		Regulations, 2018 (LI 2359) which introduced the bidding process is referenced for detailed information on the process and criteria. **Mining**: The report confirms that currently, licensing allocation is on a first- come- first-served system. Information on bidding is therefore no applicable to the mining sector.				
	Information on the award of licenses held by material companies not awarded or transferred in the year under review has been disclosed (#2.2.b)	**Oil and Gas**: The report does not categorically include information for licenses awarded/transferred prior to 2017 and 2018. However, information on all petroleum agreements,	Ghana Petroleum Register, Section on Contract Areas. Available at https://www.ghanapetroleumregister.com/contract-areas Accessed on 22.03.2020	N. A	Satisfactory Progress	N. A

		including those awarded before 2018 are publicly available in the petroleum register (under contract areas section) which is referred to in the EITI Report. **Mining:** The report does not categorically list or refers to available data on mining licenses awarded/transferred prior to 2017 and 2018. However, information on all mining licenses, including those awarded before 2018 is publicly available in the Ghana Mining Repository which is mentioned in the EITI Report.	Ghana Mining Repository. Available at https://ghana.revenuedev.org/dashboard . Accessed on 22.03.2020			

	Additional information about the allocation of licenses has been disclosed, including commentary on the efficiency and effectiveness of these systems, a description of procedures, actual practices and grounds for renewing, suspending or revoking a contract or license (#2.2.d)	**Oil and Gas:** The report provided additional information regarding the efficacy of Ghana's first bidding round. It noted that the open competitive bidding was conducted simultaneously during the period of direct negotiation, thereby discouraged some companies from submitting bids for the open competitive bidding round **Mining:** Recommendations from the report suggest that the mining cadastre should be completed with licence transfers, terminations as well	2017 - 2018 Oil and Gas EITI Report (p.34). 2017 - 2018 Mining EITI Report (p.19). Ghana Mining Repository. Available at https://ghana.revenuedev.org/dashboard . Accessed on 22.03.2020	N. A	Satisfactory Progress	N. A

		as gold buying permits and licences. It must be noted that the Ghana Mining Repository (cadastre) appears to include information of cancelled, expired and surrendered licences as well as ASM licenses as of 22.03.2020				
Beneficial ownership disclosure (#2.5)	The MSG has agreed an appropriate, publicly available definition of the term beneficial owner (#2.5.f)	**Oil and Gas:** The 2017-2018 oil and gas report referred to the Companies Act, 2019 (Act 992) which contains a definition of Beneficial ownership. The Companies Act 2019 (Act 992) is available on the GHEITI website but not referred to in	2017 - 2018 Oil and Gas EITI Report (p.45-46). 2017 - 2018 Mining EITI Report (p.42-43). Ghana EITI beneficial ownership roadmap. Available at http://www.gheiti.gov.gh/site/index.ph		Satisfactory Progress	NA

		EITI reporting. There is no link sourcing where the Act can be publicly assessed though the addendum to the report categorically stated the definition in the Act. The GHEITI Beneficial Ownership Roadmap published in 2016 also includes a definition (initial) of Beneficial ownership. The document is publicly available. **Mining**: The 2017-2018 mining report provided a brief definition and referred to the Companies Act, 2019 (Act 992) which contains a definition of Beneficial ownership. We could not locate the	p?option=com_phocadownload&view=category&download=288:ghanas-beneficial-ownership-road&id=18:workplans&Itemid=54 Assessed on 22.03.2020 Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI reconciliation reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54.			

		Companies Act 2019 (Act 992) through systematic disclosures or through EITI reporting. There is no link sourcing where the Act can be publicly assessed though the addendum to the report categorically stated the definition in the Act. The GHEITI Beneficial Ownership Roadmap published in 2016 includes a definition of Beneficial Ownership. The document is publicly available	Accessed on 26 February 2020. Ghana Companies Act 2019 (Act 992): Available on GHEITI Website https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=40:acts-a-policy-documents&Itemid=54 Beneficial Ownership Forms. Available on Register General's Department website: https://www.rgd.gov.gh/forms.html			

	There are laws, regulations or policies in place to back establishing and maintaining a public register of beneficial owners (#2.5.a)	**Oil and Gas**: The Companies Act, 2019 (Act 992) provides the legal basis for establishing and maintaining a public register of beneficial owners **Mining**: The Companies Act, 2019 (Act 992) provides the legal basis for establishing and maintaining a public register of beneficial owners	2017 - 2018 Oil and Gas EITI Report (p.45-46). 2017 - 2018 Mining EITI Report (p.42-43). Ghana Companies Act 2019 (Act 992): Available on GHEITI Website https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=40:acts-a-policy-documents&Itemid=54	N. A	Satisfactory progress	N. A
	The government's policy and multi-stakeholder group's discussion on disclosure of beneficial ownership is documented (#2.5.b)	**Oil and Gas**: The government policy on Beneficial Ownership is evident in the promulgation of the Companies Act as noted above. The MSG's Beneficial Ownership	2017 - 2018 Oil and Gas EITI Report (p.45-46). 2017 - 2018 Mining EITI Report (p.42-43). Ghana EITI Beneficial	Stakeholders indicated that the i) government has set a new date of October 2020 to launch the register with already inputted data.	Satisfactory progress	N. A

		Roadmap documents the MSG's decision and agreed upon steps to ensure disclosure. The report confirmed that the MSG attached a beneficial ownership template to the request for data submission for the 2017/2018 reports production, which were sent to companies for completion. Minutes of MSG meetings and the Terms of Reference (TOR) for the Independent Administrator (published after the commencement of Validation) confirmed MSG discussions internally and with the Register	Ownership Roadmap (2016). Available at https://tinyurl.com/yx4ta5wd. Assessed on 22.03.2020 Minutes of MSG Meetings (See for example meeting on 9.05.2019). Available at https://tinyurl.com/vhlhqc2. Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (29 March 2020) Terms of Reference (TOR) for the Independent Administrator. Available at https://tinyurl.com/u8jjbv8. Published on 29.03.2020. Accessed on 07.04.2020.	(ii) RGD has developed online BO register which is currently under user test. (iii) The RGD is working on regulations for the implementation of BO. GHEITI has been instrumental in all these processes.		

		General Department on Beneficial Ownership. **Mining**: The government policy on Beneficial Ownership is evident in the promulgation of the Companies Act as noted above. The MSG's Beneficial Ownership Roadmap documents the MSG's decision and agreed upon steps to ensure disclosure. Minutes of MSG meetings and the Terms of Reference (TOR) for the Independent Administrator (published after the commencement of Validation) confirmed MSG discussions internally and with	GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available at https://tinyurl.com/w29j8xo Published on 29.03.2020. Accessed on 07.04.2020.			

		the Register General Department on Beneficial Ownership.				
	The implementing country has requested beneficial ownership information to be publicly disclosed (#2.5.c)	**Oil and Gas**: The report confirmed that the MSG attached a beneficial ownership template to the request for data submission for the 2017/2018 reports production, which were sent to companies for completion. **Mining**: The report confirmed that reporting companies have been requested to disclose their Beneficial owners and politically exposed persons (PEPs).	2017 - 2018 Oil and Gas EITI Report (p.45-46). 2017 - 2018 Mining EITI Report (p.42-43).	N. A	Satisfactory progress	N. A

	The requested information includes the identity(ies) of their beneficial owner(s), including nationality, country of residence, and identification of politically exposed persons, the level of ownership and details about how ownership or control is exerted (#2.5.c-d)	**Oil and Gas**: The report is silent on the specific details required to be disclosed. However, the addendum provides a link to the BO declaration form available at the Registrar General's Department. The form requests all listed information. **Mining**: The report categorically confirmed that that the particulars to be filed in respect of beneficial ownership of a company includes the full name, address and contact details of the beneficial owner, place of work and position held, the nature of the interest	2017 - 2018 Oil and Gas EITI Report (p.45-46). 2017 - 2018 Mining EITI Report (p.42-43). Registrar General's Beneficial Ownership Declaration Form. Available at https://rgd.gov.gh/forms.html Assessed on 22.03.2020 GHEITI (26/02/2020). Addendum to 2017/2018 GHEITI reconciliation reports. Available at https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-	N. A	Satisfactory progress	N. A

		including the details of the legal, financial, security, debenture or informal arrangement giving rise to the beneficial ownership; and Confirmation as to whether the beneficial owner is a politically exposed person and basically, any other information as may be determined by the Registrar. The addendum provides a link to the BO declaration form available at the Registrar General's Department. The template requests all listed information.	addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54 Accessed on 22.03.2020			

	Any corporate entity(ies) that apply for, or hold a participating interest in an exploration or production oil, gas or mining license or contract have disclosed the information	**Oil and Gas:** According to the report, five companies, all of whom are partners in the Jubilee field, disclosed information in relation to beneficial ownership. The data includes names of companies, percentage stake of the company (or affiliates) in the project, and whether companies are listed on stock exchanges. The report falls short of providing direct references (links) to listings online. Three (Tullow, Kosmos and Anadarko) of the five companies are noted to be publicly listed. One company (GNPC) is	Oil and Gas BO Data: 2017 - 2018 Oil and Gas EITI Report (p.45-46). Mining Sector BO data : Available on https://www.gheiti.gov.gh/site/index.php?option=com_content&view=article&id=243:beneficialownershipforminingsector2017-18reports&catid=1:latest-news&Itemid=29. Assessed on 22.03.2020	N. A	Meaningful Progress	In accordance with Requirement 2.5, Ghana should work together with the Registrar General's Department and other relevant stakeholders to ensure that extractive sector Beneficial ownership information is comprehensively and publicly disclosed. This should include the identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted. Information on how to access publicly listed companies' information should be made available.

		an SOE while another (Petro SA) is noted to be owned by the government of South Africa **Mining**: Information on Beneficial Ownership in the mining sector is publicly available on the GHEITI Website. At least 12 companies disclosed some information in relation to beneficial ownership. The data includes names of legal/beneficial owners, stake (of the company), whether and which stock exchange they are listed in (where applicable). Some descriptive information is provided for companies that are				

		not stock listed. The disclosure did not identify any PEP.				
	The MSG had assessed and documented gaps or weaknesses in disclosure of beneficial ownership information (#2.5.c)	**Oil and Gas:** The report did not assess nor document gaps or weaknesses in disclosure of beneficial ownership information. However, the addendum published later commented on the reliability and comprehensiveness of the disclosure. It noted that the information is reliable because most of companies are listed on various stock exchanges. While the addendum suggest that the information is also "quite comprehensive", it	2017 - 2018 Oil and Gas EITI Report (p.45-46). 2017 - 2018 Mining EITI Report (p.42-43). Registrar General's Beneficial Ownership Declaration Form. Available at https://rgd.gov.gh/forms.html. Assessed on 22.03.2020 GHEITI (26/02/2020). Addendum to 2017/2018 GHEITI Reconciliation Reports. Available at https://www.gheiti.gov.gh/site/index.php?option=com_ph	Stakeholder noted that the data presented are from Stock Exchange listed companies, which is indicative of their reliability. With regards to its comprehensiveness, it was noted that this was de-emphasized since BO compliance is effective 2020 reporting year. The IA also noted that information on BO provided from companies were scanty necessitating the IA to report data and information on only five out of the ten companies.	Meaningful Progress	The multi-stakeholder groups should fully assess existing disclosures and document clear steps to address gaps.

		does not provide any reason for this. Rather, the addendum confirms that there are still gaps which both GHEITI MSG, the Registrar- General's Department and other relevant stakeholders will continue to collaborate and work together to ensure the gaps and are completely addressed this year (2020). The 2020 workplan – published on the GHEITI Website on 30 April 2020 confirms that steps have been included to improve BO disclosure. **Mining**: The data appears to have significant gaps with regards to comprehensiveness	ocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54 Accessed on 22.03.2020 GHEITI 2020 workplan. Available at https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=18:workplans&Itemid=54	The MSG stated that per the 2016 Standard, Ghana is not obliged to provide BO information. The MSG also noted that it was not aware of the two phased assessment approach adopted by the EITI Board in June 2019.		

		. Several data points are not provided for some companies. For example, legal owners, instead of actual beneficial owners, are stated for Ghana Bauxite Company Ltd. Ghana Bauxite Company Ltd stated their beneficial owner who owns 99% shares. However, there is no additional information on the owner including address, nationality, date of birth among others. In addition, no links were provided for publicly listed companies. The report did not assess nor document gaps or weaknesses in disclosure of beneficial				

		ownership information. However, the addendum published later commented on the reliability and comprehensiveness of the disclosure. It noted that the information is reliable because most of companies are listed on various Stock Exchanges. While the addendum suggest that the information is also “quite comprehensive”, it does not provide any reason for this. Rather, the addendum confirms that there are still gaps which both GHEITI MSG, the Registrar- General’s Department and other relevant stakeholders will				

		continue to collaborate and work together to ensure the gaps and are completely addressed this year (2020).				

	The relevant government entity or the MSG has established an approach for participating companies to assure the accuracy of the beneficial ownership information (#2.5.e)	**Oil and Gas**: The BO Declaration form used by the Registrar General's Department includes an attestation by a senior company official (Director). In addition, the form maintains adequate level of details to ensure comprehensive data is collected and outlines liabilities for defaulters. The EITI Report did not make any reference to quality assurance mechanism in the collection of data. **Mining**: The BO Declaration form used by the Registrar General's Department includes an attestation by a	Registrar General's Beneficial Ownership Declaration Form. Available at https://rgd.gov.gh/forms.html Assessed on 22.03.2020.	The MSG noted that an assessment is done based on the experience with BO disclosure in GHEITI's 2017/18 reports. RGD, with support from GHEITI developed BO templates with additional fields to close any possible gaps. These include: (1) System self-correcting checks of BO data (2) Extra checks for high risk sector for example extractives sector Independent checks by sector regulators – PC and MC	Satisfactory Progress	NA

		senior company official (Director). In addition, the template mains adequate level of details to ensure comprehensive data is collected and outlines liabilities for defaulters. The EITI Report did not make any reference to quality assurance mechanism in the collection of data.				
	For publicly listed companies, including wholly-owned subsidiaries, the name of the stock exchange has	**Oil and Gas**: For the publicly listed companies that disclosed data, the names of the stock exchanges were	Oil and Gas BO Data: 2017 - 2018 Oil and Gas EITI Report (p.45-46).	N. A	Satisfactory progress	Information on how to access publicly listed companies' information should be made available

	been disclosed and a link included to the stock exchange filings where they are listed (#2.5.f)	provided. However, no links were provided. **Mining**: For the publicly listed companies that disclosed data, the names of the stock exchanges were provided. However, no links were provided.	Mining Sector BO data: Available on GHEITI Website: https://tinyurl.com/svohxvr. Assessed on 22.03.2020			
	Information about legal owners and share of ownership of applicable companies is publicly available (#2.5.g)	Oil and Gas: Because three of the companies were publicly listed, legal and beneficial owners can be considered to be publicly available. The remaining two companies were legally owned by governments. While is it known the GNPC is 100% owned by government, the report did not	Oil and Gas BO Data: 2017 - 2018 Oil and Gas EITI Report (p.45-46). Mining Sector BO data : Available on https://www.gheiti.gov.gh/site/index.php?option=com_content&view=article&id=243:beneficialownershipformining sector2017-18reports&catid=1:latest-news&Itemid=29.	N. A	Meaningful Progress	In accordance with Requirement 2.5, Ghana should work together with the Registrar General's Department and other relevant stakeholders to ensure that extractive sector Beneficial ownership information is comprehensively and publicly disclosed. This should include the

		disclose the level of ownership by the government of South Africa in Petro SA. Mining: With regards to companies that are publicly listed, legal and beneficial owners can be considered to be publicly available. With regards to non-listed companies that disclosed, the legal owners were disclosed in the report, including for some, not all, information about the level of ownership.	Assessed on 22.03.2020			identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted.
State participation (#2.6)	The existence of any material state-owned enterprises	**Mining:** Two state-owned enterprises are mentioned in	2017-2018 Ghana EITI Report for		Satisfactory progress	

	(SOEs) engaged in the extractive sector has been publicly documented (#2.6.a)	the mining report, Precious Mineral Marketing Company (PMMC) and Prestea Sankofa Gold Limited. The former is a government-owned marketing company for small-scale operations, thus not an upstream SOE. The latter, Prestea Sankofa, is a subsidiary of Ghana National Petroleum Corporation (GNPC), though its operations were suspended from 2016 onwards. SOEs are thus not applicable in the mining sector. The state still received dividends from mining companies and SOEs, which are reported for the period under review, while	Mining, section 2.6 (pp.46-49). Ministry of Finance (2018), '2017 State ownership report', available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2017-State-Ownership-Report.pdf. Accessed on 19 March 2020. 2017-2018 Ghana EITI Report for Oil and Gas. Section 4.2 (pp.45-48), page 79. Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI Reconciliation Reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_pho			

		referencing an annual state ownership report for 2017. The report clarifies that these companies are not majority-owned by government. **Oil and gas:** The 2017-2018 Oil and Gas report indicates that Ghana National Petroleum Corporation (GNPC) is the only state-owned enterprise (SOE) in the upstream petroleum sector. GNPC's materiality is based 61% contributions to government revenues in 2018. The report indicates that these revenues mainly stem from marketing of the state's share of production and	cadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 20 March 2020.			

		other in-kind revenues. In addition to GNPC, the report indicates that Ghana National Gas Company Limited (GNGC), is a midstream SOE in the gas sector. The company is 100% owned by the ministry of petroleum, though is not associated with material payments to government or other entities.				
	An explanation of the role of material SOEs in the sector and prevailing rules regarding the financial relationship between the government and SOEs has been disclosed (#2.6.a.i)	**Oil and gas:** The statutory rules for GNPC's relationship with the government is described. According to the report, GNPC's relationship is defined by the Petroleum Revenue	2017-2018 Ghana EITI Report for Oil and Gas, pp.47,102, 151. Petroleum Commission (2016), 'Petroleum (Exploration and Production) Act of 2016 No.919'.	**Oil and gas:** The MSG clarified through consultations that GNPC can raise third-party financing through based on its statute and as noted in Petroleum (Exploration and	Satisfactory progress	

		Management Act 2011 and the amendment of 2015 (PRMA) establishes that GNPC is entitled to a maximum of 30% of the net cash flow from carried and participating interests from its participation in various oil blocks (down from originally 55%, after deducting any equity financing costs and advances to the Government of Ghana). These proceeds are allocated by Parliament, from the Petroleum Holding Fund (PHF) to GNPC. Per the PRMA Act, GNPC does not pay	Available at: http://www.petrocom.gov.gh/L&C_folder/Pet_register/laws/PETROLEUM%20(EXPLORATION%20AND%20PRODUCTION)%20ACT,%202016%20(ACT%20919).pdf. Accessed on 20 March 2020. Petroleum Commission (n.d.), 'Ghana National Petroleum Corporation Law, 1983 (PNDCL 64)'. Available at: https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_corporation_law_19831.pdf. Accessed on 25 March 2020.	Production) Law, 1984 (PNDCL 84). Modalities on investment activities were explained as stated through the annual workplan which is submitted and approved by Parliament, as part of public records. The Secretariat has managed to locate the "2017 Work Programme of the Ghana National Petroleum Corporation (GNPC)"[69] but were not able to locate one for 2018. The MSG did not comment on why or where these aspects were covered in the		

[69] Parliament of Ghana (n.d.), "Library Repository: Report of the Select Committee on Mines And Energy on the 2017 Work Programme of the Ghana National Petroleum Corporation (GNPC)". Available at: http://ir.parliament.gh/handle/123456789/797. Accessed on 11 June 2020.

		dividends to the government until 2026 when it is legally binding to do so. As opposed to previous reporting, the report does not indicate whether GNPC is allowed to seek third-party financing, nor any terms or conditions for doing so. The report also does not indicate rules concerning reinvestments in subsidiaries. These terms were clarified through consultations as being contained in the Ghana Petroleum Corporation Law 1983 (PNDCL 64) and the Petroleum Revenue Management Act.	Ministry of Finance (2011), 'Petroleum Revenue Management Act of 2011 No.815. Available at: https://www.mofep.gov.gh/publications/acts-and-policies/petroleum-revenue-management-act-815. Accessed on 20 March 2020. Ministry of Finance (2015), 'Petroleum Revenue Management (amendment) Act of 2015 No.893. Available at: https://www.mofep.gov.gh/publications/acts-and-policies/petroleum-revenue-management-act-893-2015. Accessed on 20 March 2020.	2017-2018 Ghana EITI Report for Oil and Gas.		

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	An explanation of the prevailing practices regarding the financial relationship between the government and SOEs has been disclosed for the year under review (#2.6.a.i)	**Oil and gas:** The report includes data on the practice of these financial relationships. GNPC's receipts of in-kind contributions by companies on behalf of the state are indicated. Payments to PHF from various fields, broken down by revenue streams are indicated, including Parliament's decision to allocate funds to GNPC for Equity financing and its share of Carried and Participating Interests (CAPI). The report does not fully address the financial relationship between GNGC and	2017-2018 Ghana EITI Report for Oil and Gas, table 4.3 pp.71-72, table5.1, pp.107-108 and pp.87-88,151. GNPC (2018), '2017 consolidated financial statement'. Available at: https://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed on 11 February 2020. GNPC (2020), '2018 consolidated financial statement'. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf . Accessed on 1 October 2020. PIAC (2019), 'PIAC 2018 Annual	**Oil and gas:** When consulted, the MSG confirmed that practices regarding GNPC's third-party financing, including updated numbers for 2018 and the terms and conditions, was not located in the 2017-2018 report. The MSG referred to GNPC's 2018 Audited financial statement, which describes third-party financing arrangements in Notes 30 (pp. 57-58). Comments from GNPC confirmed that the information in the 2018 Audited financial statement was comprehensive. In terms of whether there was	Satisfactory progress	To strengthen EITI implementation, Ghana EITI and GNPC are encourages to continute the ongoing efforts to systematically disclose information required by the EITI related to state participation and SOEs through existing reporting channels.

		GNPC, except noting that there are some outstanding liabilities from GNGC towards GNPC for Gas sales and commenting on a USD 50m loan from GNPC to MoF, and its current status. This is confirmed through their audited financial statements from 2017 and 2018. The report does not indicate whether GNPC reinvested funds in its operations or subsidiaries for the period under review. Also, the report does not provide a full update of data regarding GNPC's	Report'. (pp.14,103-104 Available at: https://www.piacghana.org/portal/5/25/piac-reports. Accessed on 11 June 2020.	comprehensive data on liabilities between GNPC and related parties, (including GNGC and the Government of Ghana) and data on GNPC's investments for 2018, the MSG referred to the 2018 AFS of GNPC. An overview of GNPC's assets and liabilities are accessible in the profit and loss statement (pp.9-10) of the AFS. Details on GNPC's investments in its subsidiaries, associates and joint ventures (Notes 19-20, pp. 49-54). . The MSG also referred to the 2017 and 2018 PIAC reports. Upon review, the 2018		

		third-party financing and liabilities.		PIAC report seems to indicate that GNPC's expenditures on guarantees and loans provided to government agencies and other SOEs amounted to USD 325.39m by the end of 2018, with USD304.6m being made in 2018.		
	The government and SOE(s) have disclosed their level of ownership in mining, oil and gas companies operating within the country's oil, gas and mining sector, including those held by SOE subsidiaries and joint ventures. The terms associated with	**Oil and gas**: The report clarifies that GNPC and GNGC are 100% owned by the government. The report references to GNPC's website[70] for details of GNPC's financial statements. The 2018 consolidated financial statements were	2017-2018 Ghana EITI Report for Oil and Gas, table 2.3, pp.28-30,41-42,46,120,132. GNPC (2018), '2017 consolidated financial statement'. Available at: https://www.gnpcghana.com/speeches/2017_financial.p	In relation to the full list of GNPC's assets and interests, and an explanation of the terms associated with GNPC's ownership and interests in various subsidiaries, assets and joint ventures, the MSG made reference to the 2018 AFS.	Satisfactory/Meaningful progress	

[70] https://www.gnpcghana.com/speeches/2017_financial.pdf

	these ownership interests have been disclosed (#2.6.a.ii)	published after the commencement of Validation. The report clarifies GNPC's minority interest in the three oil producing fields: Jubilee Fields (13.64%), TEN (15%), and Sankofa Gye Nyame (SGN) Field (20%). Additionally, GNPC holds interest in two other non-producing fields (DWCTP and Springfield). Information on carried and participating interest explain the general terms associated with state equity through GNPC in the various projects. Tables 2.1 and 2.2 also contains some information regarding the terms	df. Accessed on 11 February 2020. GNPC (2020), '2018 consolidated financial statement'. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf . Accessed in September 2020. Ministry of Finance (2018), '2017 State ownership report', available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2017-State-Ownership-Report.pdf. Accessed on 19 March 2020. Petroleum Commission (2017), 'Ghana Petroleum Register'. Available	In relation to GNPC's interests and terms associated with their equity in GNPC Operating Services Company Limited, GNPC confirmed that Explorco holds 33.3% of shares in GOSCO. In relation to the relationship between Ghana National Gas Corporation and GNPC, the MSG clarified that GNGC was originally set up as an independent entity, with subsequent efforts made to affiliate GNGC to GNPC. The MSG clarified that these on-going clarifications were the reasons for raising the issue in EITI reporting. GNPC		

		associated with GNPC's participation. The report does not clarify the exact interests GNPC has in other projects. Five fields are listed in the report, versus and 18 contract areas listed in the petroleum register. The register, however, does contain this information through publicly accessible contracts and their terms. The report describes three subsidiaries of GNPC: 1. GNPC Exploration and Production Company Limited	at: https://www.ghanapetroleumregister.com/contract-areas. Accessed on 12 February 2020. Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI Reconciliation Reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 20 March 2020. GNPC (2020), '2018 Consolidated Financial Statement'.	confirmed that the lack of clarity described in the EITI reporting was correct, and that the government was yet to clarify the relationship between the two entities. Regarding GNPC's financial relationship and full liabilities/transactions towards the decommissioning project of Saltpond Offshore Producing Company Limited (SOPCL), the MSG indicated that these payments did not fit the definition as a quasi-fiscal activity, and that the project was in accordance with the Ghana Petroleum (Exploration and Production) Act, 2016 (presumably,		

		(Explorco), 100% ownership 2. GNPC Operating Services Company Ltd (GOSCO), 33%-owned by GNPC Explorco. 3. Prestea Sankofa, 90% ownership. (p.46). Prestea Sankofa is described as a gold company and was not operational during the period under review, thus not relevant for revenue disclosures, however GNPC's financial statements indicate	Accessed in September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf	noted as E&P Act). Additionally, references were made to the GNPC's 2018 AFS. Regarding <u>assurance of comprehensiveness</u>, the MSG indicated that all transactions reported by GNPC were checked and compared to financial statements of GNPC. The IA confirmed this for 2017, though noting that as 2018 accounts had not been audited at the time of reporting, they had to rely on statements and accounts provided by GNPC's management. GNPC's submission was accompanied by a certification signature by		

		there were transactions between GNPC and several of its subsidiaries. The EITI report does not clarify any of these transactions. This is also relevant for GNPC's subsidiary, Prestea Sankofa, which is non-operational and therefore relies on transfers from GNPC to address its liabilities. Reference is also made to GNGC as a separate SOE, though conflicting information exists, which also refers to GNGC as a subsidiary. There is little information and clarity on the legal and financial relationship		management or a senior officer.		

		between GNGC and GNPC, as captured under recommendation 3 of the report. Furthermore, the GNPC Foundation is discussed in a later section as a subsidiary but not listed under the section on subsidiaries. It is not clear if the companies captured are actually the full scope of GNPC subsidiaries and joint ventures (JVs), especially considering that Saltpond Offshore Producing Company is not mentioned, even if there appears to be substantial decommissioning costs associated				

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		with GNPC's ownership in the company. The company is not mentioned in the EITI report, but confirmed through GNPC's audited financial statements. Also, when reviewing the MoF report on state ownership and GNPC's consolidated financial statements for 2017, additional companies are also indicated as subsidiaries: For example, GNPC Technip Engineering Services (GTES), Airtel and Mole Motel. However, these are not designated as extractive				

		companies, and are thus not applicable. The addendum to the 2017-2018 Oil and Gas report covers subsidiaries and joint ventures in some more detail. It identifies additional interests of GNPC Explorco and additional information related to GNPC Foundation. However, the report does not clarify the financial relationship or dividend-policies related to these subsidiaries, and refers back to GNPC's audited financial statements for more information.				

	Any changes in the level of SOE or state ownership during the reporting period have been disclosed, including the terms of the transactions (#2.6.a.ii)	The report does not clarify whether any changes in the level of SOE ownership for the period under review, though GNPC's audited financial statements indicate that no changes did occur in 2017, specifically related to non-extractive companies.	2017-2018 Ghana EITI Report for Oil and Gas. GNPC (2018), '2017 consolidated financial statement'. Available at: https://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed on 11 February 2020. Ministry of Finance (2018), '2017 State ownership report', available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2017-State-Ownership-Report.pdf. Accessed on 19 March 2020. GNPC (2020), '2018 Consolidated Financial	The MSG and GNPC confirmed that no changes of GNPC's ownership occurred in 2018.	Satisfactory progress	

			Statement'. Accessed in September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf			
	Details about any loans or loan guarantees to mining, oil and gas companies operating within the country have been disclosed, including loan tenor and terms (i.e. repayment schedule and interest rate) (#2.6.a.ii)	The report does not seem to address details on loans and/or loan guarantees comprehensively. The report does provide an update on the settlement of a USD 50 million loan to the Ministry of Finance, with developments as late as in December 2018. However, no other liabilities were indicated in the report itself. Still, due to GNPC publishing its 2017 financial	2017-2018 Ghana EITI Report for Oil and Gas. GNPC (2018), '2017 consolidated financial statement'. Available at: https://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed on 11 February 2020. Ministry of Finance (2018), '2017 State ownership report', available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2017-State-	Regarding additional loans and/or loan guarantees indicated through GNPC's 2017 AFS, the MSG asked for more details regarding which precise loans and guarantees that were not covered. The EITI referenced the six different aspects covered in Ghana's second Validation, some of which include the financing arrangements associated with different petroleum projects, changes in	Satisfactory progress	

		statements, additional information is available for 2017. It indicates that there were additional loans, including transactions related to the loans, for TEN Partner financing and SGN Partner financing. Additionally, it highlights a bank loan which is presumably being serviced by the government itself. None of this information was included in EITI reporting. GNPC later published the AFS for 2018, providing the same level of detail for 2018. Lastly, the report of the Auditor General of Ghana highlights	Ownership-Report.pdf. Accessed on 19 March 2020. Ghana Audit Service (2019), 'Report of the Auditor General on the Public Accounts Central Government for the Financial Year Ended 31 December 2018'. Available at: https://ghaudit.org/web/download/34/auditor-general-reports/1060/report-of-the-auditor-general-on-the-public-accounts-central-government-for-the-financial-year-ended-31-december-2018.pdf. Accessed on 23 March 2020. GNPC (2020), '2018 Consolidated Financial	amounts due from related parties, changes in amounts due from government and its agencies, as well as a "Term Loan & Borrowing: Litasco BOST loan". Some of these laons have also been referenced through the PIAC 2018 Annual Report..		

		"doubtful debts" of GNPC that are not mentioned in the EITI Report, of GHS 10 million (excess of ~USD 2.3 million).	Statement'. Accessed in September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf			
	SOEs have publicly disclosed their audited financial statements, or the main financial items (i.e. balance sheet, profit/loss statement, cash flows) where financial statements are not available (#2.6.b)	GNPC has already made their audited consolidated financial statements available for 2017, but due to procurement delays for external auditors' of 2018 financial statements, these were not published by the commencement of Validation. The audited consolidated financial statements for 2018 were however	GNPC (2018), '2017 consolidated financial statement'. Available at: https://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed on 11 February 2020. GNPC (2020), '2018 Consolidated Financial Statement'. Accessed in September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf	In relation to how Ghana EITI reporting adapted to limitations cause by the delayed audit process for GNPC, the MSG commented that engagement with Ghana Audit Service was undertaken to prioritise audits of EITI Reporting institutions. They also provided an explanation that the cause of the delay was due to a substantial delay in formal appointment letters for GNPC's	Satisfactory Progress	*While not required, Ghana EITI is recommended to provide additional commentary regarding the effectiveness of auditing procedures and possible bottlenecks, and to support the government and GNPC in ensuring timely audit publications.*

		published in September 2020. Additionally, the Ministry of Finance prepares an annual report regarding all SOEs, which similarly was published for 2017, though not for 2018.	Ministry of Finance (2018), '2017 State ownership report', available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2017-State-Ownership-Report.pdf. Accessed on 19 March 2020.	external auditors, from the government's side.		
	The country has publicly described the rules and practices related to SOEs' operating and capital expenditures, procurement, subcontracting and corporate governance, for example composition and appointment of the Board of Directors, Board's mandate,	The audited financial statements of GNPC does include practices related to their operating and capital expenditures, including corporate governance and composition of its Board. 66	GNPC (2018), '2017 consolidated financial statement'. Available at: https://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed on 11 February 2020. GNPC (2020), '2018 Consolidated Financial Statement'. Accessed in		Satisfactory Progress	

	code of conduct (#2.6.c)		September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf			

Requirement 4: Revenue collection

Assessment table: Revenue collection						
EITI Requirement	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions (to be completed for 'required' provisions)	Proposed corrective actions and recommendations
Comprehensive disclosure of taxes and	The MSG has agreed on a materiality definition	**Mining:** The MSG's decisions on materiality of revenue streams have been documented, and the reporting threshold was based on relative influence on coverage, leading to a materiality	2017-2018 Ghana EITI Report for Mining, section 4.2, pp.62-78, tables 4.3 and 4.4, pp. 62-66.		Satisfactory progress	

revenues (#4.1)	for revenue streams, including any reporting thresholds, as well as the options considered and the rationale for the materiality definition (#4.1.b)	threshold of GHS 17,205,153 (~1% of total revenues in 2018). **Oil and gas:** Materiality is discussed under section 4.3 of the oil and gas report. Total revenues received from the sector was the basis for determining materiality of revenue streams, though prior to determining material revenue streams some were excluded on the basis of being indirect forms of taxation. Additionally, some revenue streams were excluded on the basis of being non-extractive specific. Based on materiality considerations, eight revenue streams were selected, representing a minimum threshold of USD 9.73 million.	2017-2018 Ghana EITI Report for Oil and Gas, pp.72-76,80.			
	The MSG has agreed on a materiality definition for	**Mining:** The MSG chose a materiality threshold of GHS 2,000,000 for companies, ensuring a coverage of 67% towards *all* revenues, including excluded revenue streams,	2017-2018 Ghana EITI Report for Mining, pp.67-72, tables 4.3 and 4.4, pp. 62-66.		Satisfactory progress	

	companies, including any reporting thresholds, as well as the options considered and the rationale for the materiality definition (#4.1.b)	and 98% coverage towards all non-excluded revenues. This led to the selection of 16 companies for 2018, listed on page 74 of the report. The materiality threshold decision was made on the basis of number of companies included in reconciliation, with associated coverage of reconciliation towards non-excluded revenue streams. **Oil and gas:** The oil and gas report confirm that a threshold of USD 350 000 in payments to government was used to select companies to report for 2018.	2017-2018 Ghana EITI Report for Oil and Gas, pp.68,72-76,78,80.			
	The revenue streams considered material are publicly listed and described (#4.1.b)	**Mining:** The material revenue streams are listed (pp. 68-69), and described in further detail in various tables. **Oil and Gas:** Material revenue streams are identified, including a description of them in table 4.2. Dividends are included in the descriptions but not identified as a material revenue stream while	2017-2018 Ghana EITI Report for Mining, tables 2.1 (p.31), 4.2 (p.57), and 4.11 (p.76). 2017-2018 Ghana EITI Report for Oil and Gas, pp.68-69.	**Oil and Gas:** The MSG clarified that dividends were included as a material revenue stream, with any lack of description in the report as a minor omission, while referencing the Petroleum Revenue Management Act, 2011 (Act 815). They further explained that Training and Technology Allowances are often reported in aggregate by both government and	Satisfactory progress	

		technology allowance was identified as material but not described. There may be issue of mixing training versus technology allowances.		companies, and hence have been reported as such. However, in reality, the revenue stream reconciled was identified as Training Allowance, which is explained in Table 4.2 (alongside Dividends).		
	The revenue streams listed in provision 4.1.c have been considered. Where the MSG has agreed to exclude certain revenue streams from the scope of EITI disclosures, the rationale for their exclusion is clearly	**Mining:** The MSG considered indirect payments, such as VAT, withholding taxes, National Health Insurance Levy (NHIL), and personal income taxes to be excluded, though their contribution to overall revenues are significant (~32% in 2018, based on table 4.3). The MSG reasons that, since these payments are made by companies *on behalf of third parties*, they were not relevant for extractive sector activities (p.66). This strategy mirrors that of Ghana's second Validation, which posed no issue for the purpose of comprehensiveness. The remaining revenues for determining material revenue streams amounted to GHS	2017-2018 Ghana EITI Report for Mining, pages 66-68, section 4.7. 2017-2018 Ghana EITI Report for Oil and Gas, pp.72-74,80.	**Mining:** The MSG clarified that dividends and transportation receipts were included into *consideration* for reconciliation due to issues of continuity and consistency (they were both included in 2015 and 2016 reporting. However, in the end only dividends were reconciled, as they were material; i.e. exceeding GHS 13.8m in 2017 and GHS 17.2m in 2018. No other issues were left unaddressed. **Oil and gas:** Upon clarification from MSG, while the report indicates that excise duty, import duty and port/shorebase were excluded due to not being extractive industry payments, in reality there were not revenues received through these fiscal	Satisfactory progress	

	documente d (#4.1.c).	1,720,515,251 in 2018 (p.66). This resulted in 13 revenue streams selected for reconciliation, listed on page 68. However, the list does not include two revenue streams that were also included in reconciliation, namely dividends, and transportation revenues of Ghana Railways. **Oil and gas:** Environmental permitting and processing fees (EPA) and surface rentals were included in the scope of reconciliation despite contributing less than 1% of total government revenues, given that they were listed in EITI Requirement 4.1.b. Withholding taxes, PAYE and VAT were excluded because these payments were made on behalf of supplies and other entities (p.73). As mention under the assessment of mining revenues, this is consistent with previous reporting years and does not		instruments. Additionally, the MSG noted that companies are exempt from such payments through Mining leases.		

		pose a problem towards the EITI Standard. Excise duty import duty and Port/Shorebase costs were excluded because the MSG ruled that they are not EI related payments. However, though they are indicated as included in table 4.4, it appears no revenues were collected. This appears somewhat confusing as capital gains tax, data license fees and license application were excluded due to lack of payments.				
	The MSG has identified the companies making material payments and whether these companies	**Mining:** The report clearly identifies reporting companies, and the companies which did not submit reporting templates are named.[71] The remainder of companies provided templates, while government agencies unilaterally declared material payments on behalf of those who did not.	2017-2018 Ghana EITI Report for Mining, page 84. 2017-2018 Ghana EITI Report for Oil and Gas, pp.9,79,85, ,100-101,135-136.	**Oil and gas:** Both the IA and the MSG confirmed that Tullow Ghana Limited did indeed report, and any indication of non-reporting was limited to specific revenue streams handled in the reconciliation exercise. Any other indications should be considered	Meaningful progress, with considerable improvements	In accordance with Requirement 4.1, Ghana should ensure that the materiality threshold for selecting companies in future EITI reporting ensures

[71] The companies that did not report are Anglogold Ashanti (Ghana) Limited (TIN C0003278271), Kibi Goldfields Limited (TIN C0003137074) and West Africa Quarries Limited (TIN C0002788608).

	fully reported all payments in accordance with the materiality definition (#4.1.d and the IA ToR)	**Oil and gas:** The report identifies nine companies selected for reporting in 2018, and they are identified in table 4.10. Though a misstatement related to non-reporting in the report causes some confusion, it appears that six companies failed to submit data for EITI reporting, though only three of these were relevant for 2018.[72] Total payments of these companies represented more than USD 117m or 12% of the total reconciliation target (author's calculation, pp.9,79,100-101). Unilateral disclosure on behalf of these companies were sought from government agencies, the disclosures of which imply that missing company payments were actually USD 51.4m (pp.85,100-101), or 5.3% of the reconciliation target. However, the payments associated with *one* of these companies, Anadarko,		misstatements or errors of the report. It was not sufficiently clear from stakeholder consultation, how the MSG and Ghana EITI attempted to engage all companies to ensure comprehensive reconciliation in accordance with the reconciliation target for the oil and gas sector.		that all material companies participate in EITI reporting. Ghana.

[72] The petroleum companies that failed to report are identified as AGM Petroleum, Anadarko, and Vitol.

		represent an omission of 5% of reconciliation, or 3% of total government revenues from the oil and gas sector, causing a concern for comprehensive reconciliation. We were unable to locate reliable figures for Anadarko's payments to the Ghanaian government elsewhere, including ResourceProjects.org or through corporate filings.				
	The MSG has identified the government entities receiving material revenues and whether these government entities fully reported all receipts in	**Mining**: The report lists six national-level government entities[73] and 15 district assemblies included in the scope of reporting. Additionally, the state-owned enterprise Ghana Railway Company is included. The report clarifies that all government agencies provided data, with the exception of four district assemblies. Forestry Commission's revenues from forestry mineral	2017-2018 Ghana EITI Report for Mining, pages 62,64,69-70,76-77,85. 2017-2018 Ghana EITI Report for Oil and Gas, pp.8,78,79,85.		Satisfactory progress	

[73] Ghana Revenue Authority (GRA), Forestry Commission, Non-Tax Policy Unit (Ministry of Finance), Minerals Commission, Office of the Administrator of Stool Lands (OASL), and Environmental Protection Agency (EPA).

	accordance with the materiality definition (#4.1.d and the IA ToR)	royalties were included as part of numbers related to mineral royalties during reconciliation. However, table 4.5 still provides data solely related to forestry royalties, for the three relevant companies taking part in reconciliation. **Oil and gas:** Reporting government agencies are presented in the report: Ghana Revenue Authority, Ministry of Finance, Ministry of Energy (formerly petroleum), GNPC, Environmental Protection Agency (EPA) and the Petroleum Commission. No subnational government agencies were included in reporting for petroleum. The report identifies some agencies that did report, but does not explicitly identify whether the Ministry of Finance or the EPA did. Still, table 4.11 indicates that EPA did report on behalf of AGM Petroleum for 2018, which indicates they did indeed				

		report for the period under review.				
	The government fully reported all revenues, including any revenues below the materiality thresholds (#4.1.d)	**Mining:** Tables 4.3 and 4.4 provides full government disclosure of revenues, by individual revenue streams, including excluded and non-material revenues. However, the report does not seem to disaggregate revenues received by each individual DA. The IA maintains in the report that these numbers are not available for Municipal and District Assemblies. **Oil and gas:** The report does an excellent job in full government disclosures by individual revenue streams, including those excluded from the reconciliation exercise (table 4.4). Full government disclosure amount to USD 1.7 billion, when including all revenue streams, even indirect taxes such as withholding tax and PAYE. The report also clearly distinguishes between full government disclosures,	2017-2018 Ghana EITI Report for Mining, pages 62-66,85. 2017-2018 Ghana EITI Report for Oil and Gas, pp.72-76.	**Mining:** Both the IA and the MSG confirmed that data disaggregated by District Assemblies (for Property Rates, specifically) is not practically feasible; an issue raised and accepted during Ghana's first Validation. The MSG highlighted that while these revenues did not exceed the materiality threshold set for revenue streams, it was nonetheless included in reconciliation with the purpose to perform post-hoc confirmation of data reliability compared to preliminary data. Any omissions should therefore be considered as not significant or not material. Through consultations it was also clarified that the report contains a misstatement: Table 4.3 indicates a total of GHS 1,498,526.82 in both years, but is actually for 2017 only, while	Satisfactory progress	

		and the revenues used for materiality decisions (the latter is presented in table 4.5).		Table 4.4 indicates a total of GHS 3,356,128.00 in both years, but is for 2018 only. Reconciliation did reveal that for the in-scope companies, there is a large discrepancy between preliminary numbers and final, where property rates for *in-scope* companies amounted to more than 200% of preliminary data in 2017, and 153% more than preliminary data for 2018 (ref. Table 4.3 and 4.4, versus Table 4.14 and 4.15). The issues above in combination did not lead the MSG or the IA to conclude that revenue data was not comprehensive.		
	Where companies or government entities paying or receiving material	**Mining:** The report identifies four District Assemblies that did not submit report for the period under review[74], and according to the report the IA attempted to close this gap by using company-reported payments. Three companies	2017-2018 Ghana EITI Report for Mining, pages 85-86,106. 2017-2018 Ghana EITI Report for Oil and Gas, pp.97,101. Comments-Responses on oil-gas gaps of the Independent	**Oil and gas:** Comments from the IA clarified that Tullow Ghana Limited did indeed report, and any indication of non-reporting was limited to specific revenue streams. The IA highlighted that other indications were	Satisfactory progress	

[74] Upper Denkyira District Assembly, Yilo Krobo District Assembly, Amansie South District Assembly, and Obuasi Municipal Assembly.

	revenues have not submitted reporting templates, or have not fully disclosed all the payments and revenues, EITI reporting documents these issues and includes an assessment of the impact on the comprehensiveness of the report.	also did not report: AngloGold Ashanti Ghana Limited, Kibi Goldfields Limited and West Africa Quarries Limited. The report later calculates the significance of reporting omissions, by three companies and the four DAs. The absence of reporting resulted in omissions of 0.5% of company payments, and 0.4% of government disclosure, relative to the reconciliation target. The IA concludes that lack of report does not affect comprehensiveness of data disclosed in the 2017-2018 Report. **Oil and gas:** The report clearly identifies the effects of non-reporting for the two reporting years. It compares the effect of non-reporting towards both full government disclosures *with* and *without* the excluded revenue streams (table 4.19). Non-reporting amounted to 5.3% towards the reconciliation target, and 3%	Administrator. Not publicly available, submitted to the International Secretariat 26 February 2020.	misstatements or errors in the report.		

		toward full government disclosures. However, the report does seem to include some contradictions by claiming Tullow reported (pp.82,85) in some sections, while other sections indicate Tullow did not report (pp.101). It may be that these numbers are related to non-reporting of training fees, as identified elsewhere in the report (pp.97,101).				
	In accordance with the IA ToR, a summary of the key findings from the Independen t Administrat or's assessment with regards to the	**Mining:** The report clarifies that the reconciliation target coverage amounts to 67% of all government revenues from extractive companies, or 98% of the revenues used in materiality threshold calculations (table 4.8) or roughly GHS 1.7 billion. The report also contains an assessment that EITI disclosures are seen as comprehensive and reconciliation was not	2017-2018 Ghana EITI Report for Mining, pages 72-73. 2017-2018 Ghana EITI Report for Oil and Gas, pp.8,100-101. Responses on oil-gas gaps of the Independent Administrator. Not publicly available, submitted to the International Secretariat 26 February 2020.	**Oil and gas:** With reference to the above clarifications regarding reporting by Tullow Ghana Limited, and the seeming lack of explicit reference to whether non-reporting influenced the comprehensiveness of the report, the MSG and IA both confirmed that the revenue data is viewed as comprehensive.	Satisfactory progress	

	comprehensiveness of the EITI disclosures and coverage of the reconciliation has been provided.	substantially affected by non-reporting. **Oil and gas:** The report for oil and gas does indicate that while the reconciliation target was 56.8% of full government disclosures, or 99.8% of non-excluded revenue streams, roughly 54% was actual coverage. The report does not state whether the non-reporting influenced the overall comprehensiveness of the report.				
	The companies making material payments to government have publicly disclosed their audited financial statements, or the main items (i.e.	**Mining:** While the report does discuss the audit and assurance practices that material companies undergo, the IA only clarifies that none of the audited financial statements (AFSs) of companies included qualified audit opinions (i.e. no indications of severe issues or misstatements), but does not clarify whether companies' AFSs are publicly accessible, nor where they might be published.	2017-2018 Ghana EITI Report for Mining, pp.78-80. 2017-2018 Ghana EITI Report for Oil and Gas, pp.81-82,114. GNPC (2019), 'GNPC's 2017 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed in February 2020. The Audit Service of Ghana (2019), 'The Auditor General's Reports'. Available at:		Not required	While not required, it is expected that Ghana further document how stakeholders can access audited financial statements of material companies, with precise sources to public disclosures of such reports.

	balance sheet, profit/loss statement, cash flows) where financial statements are not available (4.1.e).	The report also explains that the Auditor General of Ghana and the Audit Service had completed audits for all government agencies by the time of reporting, providing a source to where annual reports were published. **Oil and gas:** While the report does discuss the audit and assurance practices that material companies undergo, the IA only clarifies that none of the audited financial statements (AFSs) of companies included qualified audit opinions (i.e. no indications of severe issues or misstatements), but does not clarify whether companies' AFSs are publicly accessible, nor where they might be published. The only audited financial statement referenced is for GNPC's 2017 financial year.[75] The report also explains the process of auditing that	https://ghaudit.org/web/reports/. Accessed on 20 February 2020.			

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		government agencies undergo, and provide references to the Audit Service's reports. While the direct link is broken, the main site is available and easily navigated.[76] The report does indicate that all government agencies had undergone external audits for the periods under review, with no qualified opinion.				
In-kind revenues (#4.2)	The MSG has set a definition of materiality with regards to in-kind revenues (#4.2)	**Mining:** As confirmed in previous Validations, there are no in-kind revenues nor any sales of the state's share of production in the mining sector. The report confirms this. **Oil and gas:** The report, as well as previous Validation procedures, identify two main revenue streams that are collected in-kind: carried and participating interests (CAPI) and royalties. Gas sales were not considered material, as there were no cash payments received by GNPC in the period	2017-2018 Ghana EITI Report for Mining, section 4.5 (pp.108-109). 2017-2018 Ghana EITI Report for Oil and Gas, pp.28-30,64-65,73-76,86.		Satisfactory progress	

[76] The Audit Service of Ghana (2019), 'The Auditor General's Reports'. Available at: https://ghaudit.org/web/reports/. Accessed on 20 February 2020.

		under review, even if physical deliveries of gas did occur to Ghana National Gas Corporation. However, the report does not distinguish the in-kind volumes of gas which are the share of the state. Gas deliveries in 2018 to GNGC is reported in table 3.10 of the report (non-associated gas only), and amounted to 33,826 MMScf. Table 3.6 estimate the value of exports of a similar amount of gas, valued at USD 85m, which would imply that the in-kind share of gas due to the state and/or GNPC may be material, or that its materiality was not sufficiently explored by the MSG. There is no indication of a different materiality threshold for in-kind revenues.				
	Where in-kind revenues exist and are	**Oil and gas:** Tables 4.12 and 4.13 show the volumes of royalties and CAPI shares of all partners for TEN and Jubilee fields in 2017 and 2018	2017-2018 Ghana EITI Report for Oil and Gas, pp.71,87-89,90,102-105.	**Oil and gas:** Regarding <u>revenues from gas sales</u>, the MSG indicated that GNPC's audited financial statements report on an accrual basis, while EITI	Satisfactory progress	To strengthen implementation, Ghana is recommended to consider

	considered material, the Validator is expected to document whether these have been fully disclosed (#4.2.a)	(p.87). These are all paid into the Petroleum Holding Fund (PHF) at the Bank of Ghana. Additionally, the report reconciles data of total lifting volumes by date for each field (including SGN), between GNPC and GRA in table 4.14. Table 4.15 presents the same reconciliation between data provided by GRA and oil companies. CAPI and royalties were among the most significant towards revenues considered for materiality: carried and participating interests (CAPI) (56.3%) and royalty (27.3%). These revenue streams apply both for oil and natural gas. The report includes contextual information and valuation of the proceeds from CAPI (oil) as well as royalty oil. Though in-kind volumes are disaggregated by revenue stream, all values are located in table 4.20, by field, date of sales, and buyer. Total	GNPC (2019), 'GNPC's 2017 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed in February 2020.	reports report on a cash basis. The MSG confirmed that there were no cash transfers of gas revenues received by GNPC from GNGC in 2017 or 2018, and that these transactions were not material. The MSG also indicated that the differences in numbers between GNPC and GHEITI reporting, did not deter any confidence in the comprehensiveness of the EITI Report on in-kind revenues.		opportunities to regularly disclose information on the sale of the state's share of production of in-kind revenues by building on existing reporting by the Ministry of Finance, GNPC and GNGC. Ghana EITI is also encouraged to provide more clarity to stakeholders on the process of selling the state's share of production of gas revenues and how revenues received from such sales are managed.

		volumes amounted to almost 9.8m barrels, valued at more than USD 688.2m. The report does not comment on the seeming discrepancy between payments into the PHF (Table 4.3), which suggests that proceeds of CAPI and royalties were valued at almost USD 814m. The report does not comment on the difference, but a possible explanation has been provided in the main body of this assessment (see chapter 6.3). The report provides information on the details on gas production and sales in Table 3.10. It was clarified by the national secretariat that the table covers the state's share of production. The data is disaggregated by field, although not disaggregated by revenue stream (see assessment of pregress in meeting Requirement 4.7 on level of disaggregation).				

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Transactions between SOEs and government entities (#4.5)	The MSG have established whether SOEs make payments to the government, collect material revenues on behalf of the state, or both (#4.5)	**Mining:** This requirement continues to be not applicable in the mining sector. As mentioned under Requirement 2.6, the report clarifies that there were dividend payments from private companies to government, but no activities of SOEs in the mining sector. **Oil and gas:** The report clarifies that GNPC collects royalties (and carried and additional participating interests) in kind on behalf of the government (see requirement 4.2 above). GNPC then markets the oil and gas, and transfers the proceeds to the PHF. The report also indicates that private companies contributed to 86% of royalty oil. The report indicates that, of the USD977m received by the PHF in 2018, USD814m were paid by GNPC, and these revenues were considered material. GNPC's receipts of oil from	2017-2018 Ghana EITI Report for Mining, section 4.7, 4.8 and 4.10 (pp.109-110). 2017-2018 Ghana EITI Report for Oil and Gas, pp.45-47,71,108,119,151.	Based on stakeholder consultation, the MSG and stakeholders confirmed that materiality was only assessed for payments to government, not payments to GNPC. While these deliberations may suggest there may exist other material transactions occurring during the period under review, public and non-publicly available data (e.g. GNPC's non-public audited financial statements for 2018), confirmed that relevant transactions did not exceed the materiality threshold.	Satisfactory progress	To strengthen implementation, Ghana is recommended to revisit their procedures for ensuring comprehensive disclosure and reconciliation of transactions of state-owned enterprises, with the aim to ensure that all transactions of SOEs with government – and payments from extractive companies, subsidiaries and joint ventures – are reported and considered for materiality. Where material, Ghana should ensure that all

		IOCs are clarified and considered material. The report does not seem to consider dividend incomes of extractive subsidiaries for materiality purposes, nor have they been reported.				transactions are reported and reconciled.
	The MSG has established whether financial transfers between government entities and SOEs exist and are material (#4.5)	**Oil and gas:** The report includes a section on transactions related to SOEs, in which it claims all transactions are covered under issues concerning state participation. However, no information of any transactions nor discussions of their materiality have been located in section 2.6 on state participation. For transactions from GNPC to the state related to CAPI and proceeds from marketing in-kind royalties, this *is* reconciled in the EITI report, and are considered material. However, there is no reconciliation of transactions back to GNPC from the PHF.	2017-2018 Ghana EITI Report for Oil and Gas, pp.45-47,71,107-108. GNPC (2019), 'GNPC's 2017 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed in February 2020. GNPC (2020), 'GNPC's 2018 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf	Regarding supporting documentation that there were no additional transactions in 2018 between (i) GNPC and its subsidiaries/joint ventures, and (ii) GNPC and government agencies, the MSG indicated that GHEITI report confirmed this by referring to GNPC management accounts, and through the 2018 AFS, which was not final or publicly accessible at the time. The IA therefore also cautioned that there were some aspects that they were not able to publicise through the EITI Report, due to this limitation. It is worth noting that other reports, such as PIAC's 2018 Annual report (pp.103-105), references additional transactions in 2018,	Satisfactory progress	Ghana EITI is recommeended to revisit their procedures for assessing materiality and reconciliation of SOEs' transactions with the government and other SOEs. Where material, Ghana should ensure that all transactions are reported and reconciled.

		There does not appear to be evidence of the payment of sale of gas into the PHF, nor from GNPC's related party transactions with GNGC for gas sales. The seeming non-payment of GNGC's liabilities toward GNPC are confirmed through the report, and related-party liabilities in their 2017 Consolidated financial statements..		though other non-public documentation (ref. GNPC's audited financial statement for 2018), confirm that these transactions were not material.		
	Material payments from companies to SOEs have been comprehensively and reliably disclosed (#4.5)	**Oil and gas:** The report includes data on payments from companies to GNPC for CAPI, royalties, and other forms of transactions. There does not seem to be evidence of other transactions from companies to GNPC (or any of its subsidiaries). There is no reconciliation of such payment either.	2017-2018 Ghana EITI Report for Oil and Gas, pp.45-47,71,107-108. GNPC (2019), 'GNPC's 2017 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed in February 2020. GNPC (2020), 'GNPC's 2018 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf	Regarding the lack of coverage of GNPC's dividend income from its subsidiaries and joint ventures, the MSG indicated that those received by GNPC was not a revenue stream for reconciliation. MSG comments and non-public information confirmed that such transactions were not material for the period under review. Regarding differences between EITI reporting and GNPC's audited financial statement for 2017, including gas sales, the MSG indicated that the differences were due to	Satisfactory progress	Ghana EITI is recommeended to revisit their procedures for assessing materiality and reconciliation of SOEs' receipts from extractive companies, including those of its subsidiaries and joint ventures. Where material, Ghana should ensure that all transactions are

			Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI Reconciliation Reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 20 March 2020.	alternative forms of accounting (accrual versus cash). The MSG still had confidence in the report's integrity and reliability.		reported and reconciled.
	Material SOE transfers to government (including statutory and ad hoc) have been comprehensively and reliably disclosed (#4.5)	**Oil and gas:** For transactions to PHF related to CAPI and proceeds from marketing in-kind royalties, this *is* reconciled in the EITI report. No other transactions to government are mentioned, though there are some outstanding questions regarding payments related to a USD 50 million loan to the Ministry of Finance, *and* payments for the Western Corridor which GNPC undertook. The report both	2017-2018 Ghana EITI Report for Oil and Gas, pp.45-47,71,107-108,125.	Regarding the issue of GNPC's loan to the MoF of USD 50m, the MSG, MoF and GNPC all confirm that there were no transactions related to the loan in 2017-2018. The PIAC 2018 report was also cited as a reference, which confirms the lack of any transaction related to this particular arrangement, though highlighting others. Regarding the transaction related to the Western Corridor roads, which was highlighted in the report, the MSG clarified	Satisfactory progress	

		indicates that the USD 50 million loan was repaid by the Ministry of Finance, *and* in other sections indicate that the liability was *expunged* or "not paid". Expenses related to Western Corridor Roads are discussed further under Requirement 6.2.		that these expenditures occurred in 2015 and were not relevant for the reporting period. The IA also cautioned that there were some aspects that they were not able to publicise through the EITI Report, due to delays in auditing procedures.		
	Material government transfers to SOEs have been comprehensively and reliably disclosed (#4.5)	**Oil and gas:** There are no reconciliation of transactions back to GNPC from the PHF, although the transfers are above the materiality threshold, at USD 305.3m. However, reliable and publicly accessible documentation confirm the amounts transferred to GNPC, through a procedure which is scrutinised and overseen by parliament.	2017-2018 Ghana EITI Report for Oil and Gas, pp.45-47,71,107-108. GNPC (2019), 'GNPC's 2017 Consolidated financial statements.' Available at: http://www.gnpcghana.com/speeches/2017_financial.pdf. Accessed in February 2020. Ministry of Finance (2019), 'End-Year Report on the Budget Statement and Economic Policy of the Republic of Ghana for the 2018 Financial Year'. Page 17. Available at: https://www.mofep.gov.gh/sites/default/files/reports/economic/2018-CONSOLIDATED-	Regarding the lack of reconciliation of transactions from the PHF to GNPC, the MSG indicated that the reconciliation exercise was performed for transactions *to* the Government of Ghana, only. They further added that amounts transferred to the GNPC from the PHF were extensively detailed in section 5 of the report.	Satisfactory progress	When material, Ghana EITI should ensure that all transfers from the Government of Ghana to GNPC are reported and reconciled, including transactions from the PHF to GNPC, and others.

			MDAs-ANNUAL-BUDGET-PERFORMANCE-REPORT-Final.pdf. Accessed on 9 July 2020.			
Disaggregation (#4.7)	The financial data disclosed is disaggregated by individual company, government entity and revenue stream, in accordance with the definition of project provided in the EITI Standard (#4.7).	**Mining:** Financial data is disaggregated by individual company, *central* government entity and revenue stream. However, the report does not seem to provide subnational payments (property rates) by individual Municipal and District Assembly, as noted under Requirement 4.1, even if the revenue stream was deemed material. **Oil and gas:** The report includes disaggregation of financial data by government entity, revenue stream, and company. As royalties and CAPI are marketed by GNPC, these revenues are disaggregated by volume between the different interest holders of various fields, while the cash-equivalents are reported as from GNPC only.	2017-2018 Ghana EITI Report for Mining, pp.62-66. 2017-2018 Ghana EITI Report for Oil and gas, pp.11-14,71,73-76,87-96,148-157.	**Mining:** Regarding comprehensiveness of property rates and disaggregation by individual subnational entity, both the IA and the MSG confirmed that data disaggregated by District Assemblies (for Property Rates, specifically) is not practically feasible; an issue raised and accepted during Ghana's first Validation. However, through written comments, references were also made to final accounts of the District Assemblies; the report does not mention attempts of reviewing these accounts to confirm total Property Rates values, and citing lack of disaggregation as due to the immateriality of Property Rates. The MSG highlighted that while these revenues did not exceed the materiality threshold set for	Satisfactory progress	

		With regards to in-kind revenues, data on volumes of the state's share of gas production collected in kind are disaggregated by field in Table 3.10, although not disaggregated by revenue stream.		revenue streams, it was nonetheless included in reconciliation with the purpose to perform post-hoc confirmation of data reliability compared to preliminary data. Any omissions should therefore be considered as not significant or not material. Through consultations it was also clarified that the report contains a misstatement: Table 4.3 indicates a total of GHS 1,498,526.82 in both years, but is actually for 2017 only, while Table 4.4 indicates a total of GHS 3,356,128.00 in both years, but is for 2018 only.		
	For reports covering fiscal years ending on or after 31 December 2018, the financial data disclosed is disaggregat	**Mining:** On project-level reporting, the report indicates that the Income Tax Act defines separate mining operations as (i) an operation pertaining to each mine and (ii) mineral operations with a shared processing facility. The report further argues that each company have a single processing facility, thus each	2017-2018 Ghana EITI Report for Mining, pp.33,50-53,81. Ghana Revenue Authority (2015), 'Income Tax Act no 896 of 2015'. Available at: https://gra.gov.gh/wp-content/uploads/2018/11/INCOME-TAX-ACT-2015-ACT-896.pdf. Accessed on 19 March 2020.	**Mining:** Regarding definition of projects, upon clarification, the MSG continued to refer to the Income Tax Act, 2015. In the MSG's comments on the draft assessment, the MSG further challenged that royalties are leived on a lease basis, as Section 25 of the Minerals and Mining Act 2006 clarify only that royalties are payable by the	Meaningful progress	In accordance with Requirement 4.7, Ghana should ensure that EITI data is disaggregated by each individual project, according to the definition provided in the 2019 EITI

	ed by individual project (#4.7)	company is seen as already reporting by project. While the above definition is applicable for taxation purposes, i.e. what is referred to as "entity-level" payments in the EITI Standard, there is no attempt of clarifying which revenues are imposed or levied other levels, such as licenses or contract level. The report clearly indicates that mining projects may be additionally regulated through contracts; Development Agreements (DAs). No revenues are reported at other levels of disaggregation, than those previously mentioned. Lastly, the Ghana license register (Ghana Mining Repository) does present several payments by individual license or permit number, including for material companies, though this issue was clarified as erroneous by MSG comments. Some payment types include Ground	Minerals Commission (2018), 'Ghana Mining Repository: Payments'. Available at: https://ghana.revenuedev.org/payment. Accessed on 19 March 2020. Ghana Revenue Authority (2016), 'Practice Note on Separate Petroleum Operation under the Income Tax Act, 2015'. Available at: https://gra.gov.gh/wp-content/uploads/2019/06/Practice-Note-on-Separate-Petroleum-Operation.pdf. Accessed on 20 March 2020. 2017-2018 Ghana EITI Report for Oil and Gas, pp.56-58,61,64-66,71,87-91,104-105.	lease holder. Furthermore, the MSG maintains that as central processing plants form the basis of a single project, encompassing multiple leases. Additionally, the MSG references that Mineral Royalties are reporting to GRA, the recipient agency, which does not collect data on a per-license or lease basis. Although some mineral royalty payments were stematically disclosed on a per-lease basis for early 2016, the MSG clarified that these reports were erroneous and part of development of Ghana license register (Ghana Mining Repository), not as part of actual reporting. The MSG did not reference attempts to clarify reporting practices to the Minerals Commission, which defines a Mining operation to be related to a single Mining Lease or Restricted Mining Lease (ref. Minerals and Mining Act, 2016 and Section 23 of Minerals and		Standard: *"A project is defined as operational activities that are governed by a single contract, license, lease, concession or similar agreement, and forms the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, the multi-stakeholder group must clearly identify and document which instances are considered a single project. [...] Where a payment covered by the scope of EITI disclosures is*

		rent, Application fees, various rights fees and Royalty. **Oil and gas:** For project-level reporting it notes that the Income Tax Act limits reporting of income for tax purposes to each development and production plan (a similar approach as for mining). This is also in coherence with a practice note issued by the GRA. However, similar to the mining sector, the practice note only clarifies practices for "tax purposes" and does not address non-tax payments. There is no attempt of clarifying which *non-tax* revenues are imposed or levied other levels, such as licenses or contract level. The report does not identify fields, contract areas, licenses or other potential project definitions. In terms of actual disclosures, the report disaggregates in-kind liftings and production per field (not per revenue		Mining (General) Regulations, 2012). The MSG indicated that only Ground Rent is a payment type imposed on a license, concession or lease level, and confirmed that Ground Rent data was not available per concession/lease. From MSG meeting minutes of 9 May 2019, indicated that the MSG already considered reporting to be on per-project basis and therefore that no further action was required for project-level reporting for mining operations. **Oil and gas:** The MSG referred to the process and definitions as outlined in the EITI Report, and cited that a technical sub-committee was established to create reporting templates for project-level reporting (confirmed through MSG meeting minutes of 9 May 2019).		*levied at entity level rather than at project level, the company may disclose the payment at the entity level."*

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		stream) in tables 3.2-3.3, 4.14-4.15 and 3.7. Gas sales and values are covered in table 3.10, although none of these are proceeds due to the payment issue between GNGC and GNPC. Proceeds of the PHF are indicated by field and revenue stream in table 4.3. Additionally, tables 4.12-4.13 disaggregates the in-kind revenues of CAPI and royalty by field for the Jubilee and TEN fields, although SGN is not covered. For surface rentals, these are disaggregated by company and contract area (table 4.16), suggesting that there are different payments levied at different stages – some for contract area, some by entity/company, and some by field. Finally, commodity sales are also disaggregated by field		The MSG further identified through consultations that Signature bonuses were realised on the basis of Petroleum Agreements, according to Regulation 74 1(a) of LI 2359, while Surface Rental was payable to the level of contract area Regulation 72(1) of LI 2359. The latter, Surface Rental was disaggregated to the level of contract area while signature bonuses were not applicable for the period under review. The MSG did not comment on the level of disaggregation of CAPI or Royalties by field, nor indicated these payments to be imposed on such levels of disaggregation.		

		(table 4.20) and costs per field are also indicated (table 3.11).				
Data quality (#4.9)	The MSG agreed standard procedures in accordance with the standard procedures endorsed by the EITI Board, which ensure that the payments and revenues disclosed are subject to credible, independent audit, applying international auditing standards (#4.9.a-b).	**Oil and Gas:** The 2017-2018 oil and gas report suggested that the Multi-Stakeholder Group (MSG) provided the terms of reference on which the report was based (p.16). The reconciliation approach and methodology adopted outlined in the report suggested that the processes were in accordance with the standard procedures endorsed by the EITI Board and subject to credible, independent audit, applying international auditing standards. At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed standard procedures in accordance with the standard procedures	2017-2018 Oil and Gas EITI Report (p. 6 – 10 on Methodology, p.78-83 on data quality, p.72 -80 on Reconciliation approach) 2017-2018 Mining EITI Report (p.18-19 on Methodology, p.81-84 on data quality) GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020.	The MSG confirmed as part of stakeholder consultation that it agreed standard procedures were in accordance with the standard procedures endorsed by the EITI Board?	Satisfactory progress	

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		endorsed by the EITI Board. Following the commencement of Validation, Ghana EITI published relevant minutes of MSG meetings and discussions on the TOR for the independent Administrator demonstrating extensive discussions and decisions regarding data quality of the 2017-2018 report. **Mining**: The 2017-2018 mining report suggested that the Multi-Stakeholder Group (MSG) provided the terms of reference on which the report was based (p.6). The reconciliation approach and methodology adopted outlined in the report suggested that the processes were in accordance with the standard procedures endorsed by the EITI Board and subject to credible, independent audit, applying international auditing standards. At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR).	GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			

		Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed standard procedures in accordance with the standard procedures endorsed by the EITI Board. Following the commencement of Validation, Ghana EITI published relevant minutes of MSG meetings and discussions on the TOR for the independent Administrator demonstrating extensive discussions and decisions regarding data quality of the 2017-2018 report.				
	The MSG had oversight of the procurement of the Independent Administrator (#4.9. a-b).	**Oil and Gas**: According to the report, Messrs Boas & Associates was engaged by the Ministry of Finance and GHEITI to produce EITI report for 2017 and 2018 (p.16). The report also confirms that the MSG agreed designed the reporting template (p.82), decided on the materiality threshold, approved the	2017-2018 Oil and Gas EITI Report 2017-2018 Mining EITI Report Ghana Extractive Industries Transparency Initiative (GHEITI) 2019 Annual Workplan. Available at https://www.gheiti.gov.gh/site/index.php?option=com_phoc	N. A	Satisfactory progress	N. A

		scoping study on 15 November 2019 (p.7) and approved contents in the report. The 2019 GHEITI Workplan includes steps to undertake procurement process for the selection of consultant for the production of 2017/18 GHEITI Reports for Mining, Oil and Gas. These evidences suggest that the MSG exercised oversight of the procurement of the Independent Administrator. At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG maintained oversight of the procurement of the Independent Administrator. **Mining:** According to the report, Messrs Boas & Associates was engaged by	adownload&view=category&id=18:workplans&Itemid=54. Assessed on 23. 03.2020 GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			

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		the Ministry of Finance and GHEITI to produce EITI Report for 2017 and 2018 (p.7 and 16). The comments above on the oil and gas sector equally applies on the mining sector report. At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG maintained oversight of the procurement of the Independent Administrator.				
	The MSG agreed a procedure to address data quality and assurance based on a standard procedure endorsed by	**Oil and Gas:** The 2017-2018 report confirmed that the MSG, in its effort to ensure data quality, requested extractive companies and Government Agencies to provide assurances through certification by senior company and government officials (p.81.82). As noted above, the MSG additionally approved a	2017-2018 Oil and Gas EITI Report (p. 6 – 10 on Methodology, p.78-83 on data quality, p.72 -80 on Reconciliation approach) 2017-2018 Mining EITI Report (p.18-19 on Methodology, p.81-84 on data quality)	N. A	Satisfactory progress	N. A

	the EITI Board (#4.9. b)	reconciliation process of data disclosed by companies and government agencies, including a review of quality assurance mechanism used by reporting entities and companies. **Mining:** The 2017-2018 report confirmed that the MSG, in its effort to ensure data quality, requested extractive companies and Government Agencies to provide assurances through certification by senior company and government officials (p.79-80). As noted above, the MSG additionally approved a reconciliation process of data disclosed by companies and government agencies, including a review of quality assurance mechanism used by reporting entities and companies.				
	The MSG has agreed on reporting	**Oil and Gas**: The 2017-2018 report provided evidence to suggest that the MSG agreed the template (p.19, 44, 82).	2017-2018 Oil and Gas EITI Report 2017-2018 Mining EITI Report	N.A	Satisfactory progress	N. A

	templates (IA ToR)	At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed on reporting templates. **Mining:** The 2017-2018 report provided evidence to suggest that the MSG agreed the template (p.80). At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed on reporting templates	GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			
	The MSG has	Oil and Gas: The 2017-2018 report provided a review of	2017-2018 Oil and Gas EITI Report	N. A	Satisfactory progress	N. A

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	undertaken a review of the audit and assurance procedures in companies and government entities participating in EITI reporting (IA ToR)	audit and assurance procedures in companies and government entities participating in EITI reporting. For government agencies, the report noted that the Auditor General of Ghana audits all participating government Agencies for 2017 and 2018 and applies the International Standards of Supreme Audit Institutions (ISSAI) issued by (INTOSAI) in its auditing work (p.81). With regards to companies, the report confirmed that companies are audited by independent auditors while some IOCs are also listed in stock exchanges (p.81). At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG undertook a review of the	2017-2018 Mining EITI Report GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			

		audit and assurance procedures. **Mining**: The report also described the data quality assurance mechanism by government (p.78-79) and reporting companies (p.81-82). The comments above on the oil and gas sector equally applies to the mining sector. At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG undertook a review of the audit and assurance procedures.				
	The MSG has agreed on the assurances to be provided by	**Oil and Gas:** As noted above, the MSG adopted at least three types of quality assurance mechanism to ensure credibility of data. These include government	2017-2018 Oil and Gas EITI Report 2017-2018 Mining EITI Report GHEITI (2020). Minutes of MSG Meetings. Available at	N. A	Satisfactory progress	N. A

	the participating companies and government entities to assure the credibility of the data, including the types of assurances to be provided, the options considered and the rationale for the agreed assurances (IA ToR)	entity and companies' internal/external auditing procedures, additional certification by senior officials and the Independent Administrator's data reliability checks. The descriptions of the types and reasons are summarised in the 2017-2018 report (p.81.84). At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed on the assurances to be provided by the participating companies and government entities. **Mining**: The comments on the oil and gas sector equally applies to the mining sector report.	GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			

	The MSG has agreed on appropriate provisions for safeguardin g confidential information (IA ToR)	**Oil and Gas**: At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed on appropriate provisions for safeguarding confidential information entities. **Mining**: The comments on the oil and gas sector equally applies to the mining sector report.	GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020	NA	Satisfactory Progress	NA
	Reporting companies and government entities had their	**Oil and Gas**: For government agencies, the report confirmed that the Auditor General of Ghana had completed the audit of all participating government Agencies for 2017	2017-2018 Oil and Gas EITI Report 2017-2018 Mining EITI Report	N. A	Satisfactory progress	N. A

	financial statements audited in the financial year(s) covered by EITI reporting, and any gaps have been identified (#4.9.a)	and 2018 and had applied the International Standards of Supreme Audit Institutions (ISSAI) issued by (INTOSAI) in its auditing work (p.81). A link was provided to the audits conducted by the Auditor General. With regards to companies, the report confirmed that companies are audited by independent auditors while some IOCs are also listed in stock exchanges. Mining: The comments on the oil and gas sector equally applies to the mining sector report.	The Auditor-General's reports. Available at https://ghaudit.org/web/reports/ Assess on 23.03.2020			
	A summary of the key findings from the assessment of the reliability of the data disclosed by companies and government	**Oil and Gas:** At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed on the inclusion of an assessment from the	2017-2018 Oil and Gas EITI Report 2017-2018 Mining EITI Report The Auditor-General's Reports. Available at https://ghaudit.org/web/reports/ Assess on 23.03.2020	The IA indicated that all government agencies reported appropriately and since no agency went against the requirements of the MSG on assurances, there was no need to state categorically that all of them complied with the requirements, as it was implied (exceptional reporting format). The MSG confirmed that the data presented was reliable and	Meaningful Progress	In accordance with Requirement 4.9 and the standard Terms of Reference for Independent Administrators, Ghana should ensure that the Independent Administrator provides an

	entities has been disclosed (IA ToR)	Independent Administrator on the comprehensiveness and reliability of the (financial) data presented. The 2017-2018 report confirmed that the IA reviewed all completed templates based on four data reliability checks and found them satisfactory (p.83 and 82 of the oil, gas and mining reports respectively . The report confirmed that the Auditor General's reports did not qualify any accounts of the government entities that are required to provide data for the 2017/18 GHEITI report (p.81). While the evidences noted above (under Requirement 4.9) suggest steps to ensure reliability of data presented, the report did not include an assessment of data reliability by the Independent Administrator. For example, there is no discussion on whether (or how many) companies/government entities did not certify/endorse reported templates and whether (how much) any lack	GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020 GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020	comprehensive and that all reporting entities certified their templates. It was also noted as part of consultation that the steps undertaken by the IA to assure data quality and comprehensiveness of government data in the 2017-2018 report were similarly steps employed in the 2016 report which was found to be satisfactory.		assessment of the comprehensiveness and reliability of the (financial) data presented in future EITI reporting. In addition

		of certification affected the overall reliability of the reconciled data. While the effect of non-reporting and out-of-scope companies are captured in the report (see additional information on comprehensiveness of oil and gas sector above under 4.1), the IA does not provide a categorical statement on categorical statement on whether the data presented in the EITI oil and gas report were comprehensive. **Mining**: At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG agreed on the inclusion of an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented. The 2017-2018				

		report confirmed that the IA reviewed all completed templates based on four data reliability checks (p. 81-82). The report confirmed that the Auditor General's reports did not qualify any accounts of the government entities that are required to provide data for the 2017/18 GHEITI report (p.79). There is a clear statement that none of the companies had qualified auditor's financial statement (p.79). In addition to these detailed evidences on the reliability of data presented, the report included an assessment of reliability by the Independent Administrator. For example, there is a categorical statement from the Independent Administrator confirming that companies' templates submitted (with exception of three in-scope companies that did not report) were embossed with company stamps and signed. It also stated that all government submitted templates passed				

		the data reliability tests and that based on these, the data used for the reconciliation exercise overall was high in quality. The report also noted that the absence of the three companies and the four District Assemblies did not have any significant effect on the reconciliation process in terms of comprehensiveness (See more on comprehensiveness of reconcialiation under 4.1). While this could be implied, the IA did not provide a categorical statement on whether the data presented in the EITI report were comprehensive				
	Any non-financial (contextual) information is clearly sourced (IA ToR)	**Oil and Gas:** Non-financial information were adequately sourced in the 2017-2018 oil and gas report. For example, the report referenced information from the Public Interest and Accountability Committee (PIAC) reports (p.21, 120). However, not all information is sourced. For	2017-2018 Oil and Gas report 2017-2018 mining report GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website ([Minute of Meetings]()). Published on 27.04.2020. Accessed on 07.04.2020	N. A	Satisfactory progress	The MSG may seek to ensure that contextual information in future EITI Reporting are clearly sourced and that there is adequate guidance on how

		example, the Minerals and Mining Act, 2006 is frequently mentioned in the Mining sector report without reference (source/link). At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG requested the IA to clearly source contextual information. **Mining**: Non-financial information were adequately sourced in the 2017-2018 mining report. For example, the report referenced information from the Ghana Revenue Authority (p.35) and Minerals Commission (p.39). At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of	GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			to assess any externally referenced information and data

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		MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG requested the IA to clearly source contextual information.				
	Summary data has been prepared, in accordance with the summary data template.	**Both sectors:** The draft summary data file for the 2017-2018 report was submitted to the International Secretariat at the time of review. At the commencement of Validation, the final summary data had not been filed with the International Secretariat.		The IA noted that the draft 2017/18 summary data file was completed and shared with the IS on February 19, 2020. The only outstanding portion was the provision of the links (disclosure checklist) which according to the understand is based on the 2019 Standard. The 2017/18 reports were produced, per the IA's and MSG's understanding, based on the 2016 Standard.	Meaningful Progress	The MSG should ensure that summary data is consistently published at the same time with associated EITI Reports.
	EITI reporting has presented a set of recommendations and	**Oil and Gas**: The 2017-2018 report provided a status update on the implementation of recommendations from previous reports. This includes for example reimbursement to GNPC, investigation into non-	GHEITI (2020). Minutes of MSG Meetings. Available at GHEITI Website (Minute of Meetings). Published on 27.04.2020. Accessed on 07.04.2020	N. A	Satisfactory Progress	N. A

	there has been a review of follow-up on past EITI recommendations through EITI reporting (IA ToR).	reporting by material companies and the payment of outstanding surface rental and training allowances. In addition, the report provided it's on recommendations including issues around the governance and operations of GNPC. At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG requested the IA to comment on the progress in implementing corrective measures and make recommendations for strengthening the reporting process and the systematic disclosures of government. There is therefore evidence to suggest follow up on recommendations of EITI Reporting.	GHEITI (2020) Terms of Reference (TOR) for the Independent Administrator. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020. GHEITI (16.04.2019) Technical Roundtable 2017-18 GHEITI Templates-Final. Available on GHEITI Website (Validation Report). Published on 29.03.2020. Accessed on 07.04.2020			

		Mining: The 2017-2018 report provides a status update on the implementation of recommendations from previous reports. This includes for example reimbursement to GNPC, investigation into non-reporting by material companies and the payment of outstanding surface rental and training allowances. In addition, the report provided six observations and recommendations (p.152-153). At the time of writing, the International Secretariat was not privy to information regarding the terms of reference (TOR). Minutes of MSG meetings and the TOR for the Independent Administrator (both published after the commencement of Validation) confirmed that the MSG requested the IA to comment on the progress in implementing corrective measures and make recommendations for strengthening the reporting process and the systematic				

		disclosures of government. There is therefore evidence to suggest follow up on recommendations of EITI reporting.				

Requirement 5: Revenue management and distribution

Assessment table: Revenue management and distribution						
EITI Requirement	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions (to be completed for 'required' provisions)	Proposed corrective actions and recommendations
Subnational transfers (#5.2)	Constitutional, statutory and other mandatory revenue sharing requirements and the MSG's definition of materiality regarding mandatory	**Mining:** There are two forms of subnational transfers in Ghana, ground rent and mineral royalty. Ground rent is payable at the statutory rate to the	2017-2018 Ghana EITI Report for Mining, pp.57,76,111-112,121-122. 2017-2018 Ghana EITI Report for Oil and Gas.	When consulted, the MSG indicated that the question was unclear and their views were to be sought with further details as part of this draft assessment. With the additional	Satisfactory progress	

	subnational transfers have been documented (#5.2.a)	Office of the Administrator of Stool Lands (OASL), a structure of the central government; thus, ground rent is administered by the central government but does not pass through the consolidated fund of the Treasury. Additionally, a 10 percent share of mineral royalty is paid to the OASL from the consolidated fund. Both revenue streams qualify as sub-national transfers. After deduction of 10 percent for administrative expenses, the OASL distributes the remainder according to the	Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI Reconciliation Reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 20 March 2020.	disclosures of the addendum report, the changes to the Mineral Development Fund and its distributions to subnational entities have been clarified.		

		following formula: 55 percent for district assemblies, 25 percent for stools, and 20 percent for traditional councils. Table 5.1 presents this distribution. The formula for distribution of ground rent is indicated in the report, however, it is less clear for mineral royalties as precise percentages are not included. Figure 5.1 clarifies how mineral royalty disbursements flow, and the new distribution as of 2017 was included in the addendum of the 2017/2018 report. **Oil and gas:** There are no subnational				

		transfers in the petroleum sector.				
	The MSG has considered the data reliability (4.9) of disclosures of mandatory subnational transfers (5.2.a)	**Mining:** The MSG considered subnational transfers material and report on mineral royalty amounts due versus actuals in tables 5.5 to 5.14. Ground rent disbursements are covered in tables 5.1 to 5.4, but it does not cover amounts due to each of the beneficiaries. It is unclear whether ground rent disbursements are comprehensive, as District Assemblies and Traditional Authorities of some regions are not	2017-2018 Ghana EITI Report for Mining, pp.113-120,122-127. Ghana EITI (2020), 'Addendum to 2017/2018 GHEITI Reconciliation Reports – 26 February 2020'. Available at: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=372:validation-addendum-201718-gheiti-reports&id=19:validation-reports&Itemid=54. Accessed on 20 March 2020.	**Mining:** When consulted, the MSG explained that Ground rents are only received by District Assemblies and Traditional Authorities (not by Regional Offices). Regarding which District Assemblies and Traditional Authorities were reported for, the MSG explained that only the relevant ones for material companies, were reported on. Lastly, the MSG did provide a reference to documentation which may contain the accrued shares of Mineral Royalties due to each	Meaningful progress	Ghana EITI should ensure that, in accordance with requirement 5.2.a, Ghana discloses both the transfer amount due, as calculated in accordance with the relevant revenue sharing formulas, and the actual transfers to each subnational entity. All material transfers must be disclosed, for each subnational entity.

		indicated.[77] Likewise, mineral royalties are only indicated for three regions and/or their District Assemblies: Ashanti, Brong Ahafo, and Western. The addendum to the 2017 and 2018 reports clarifies a new disbursement structure of the Mineral Development Fund, though it does not go into details for how calculations of payments due are performed. The addendum also does not comment on the comprehensivenes s of disclosures nor which District		subnational entity, however these do not cover Ground Rents. Further explanation by the GHEITI secretariat shows that computations were done for districts were data was available implying lack of comprehensivenes s of disclosure.		

[77] Included regions are Western and Eastern, while other regions are missing, such as Brong Ahafo, Ashanti, and possibly others.

		Assemblies and Traditional Authorities of other regions may have been excluded.				

Requirement 6: Social and economic spending

Assessment table: Social and economic spending						
EITI Requirement	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions (to be completed for 'required' provisions)	Proposed corrective actions and recommendations
SOE quasi fiscal expenditures (#6.2)	The MSG has agreed a definition of materiality with regards to quasi-fiscal expenditures by SOEs, including SOE	**Oil and Gas:** The 2017-2018 report confirmed that no quasi-fiscal expenditures were identified in the reporting period. By the commencement of Validation, the multi-stakeholder group had not published any documentation and/or discussions on whether, and why, there were no quasi fiscal	**Oil and Gas** 2017 - 2018 Oil and Gas EITI Report (p.115 on QFE, p.125 on status of implementation of previous recommendations on QFEs, p.124 on	The MSG confirmed that it had agreed a materiality threshold for the 2017-2018 reporting year based on which QFEs are to be	Satisfactory progress	

	subsidiaries and joint ventures (#6.2)	expenditures in 2017-2018. Minutes of MSG meetings and the Terms of Reference (TOR) for the Independent Administrator (published after the commencement of Validation) confirmed extensive MSG discussions on QFEs in Ghana. For instance, the MSG meeting held on the 15.11.2019 showed that the MSG approved GNPC's social expenditures (at total of USD 13 million) as material. This formed the basis of further discussion on whether any of GNPC's expenditures qualified as QFE. **Mining:** According to the 2017-2018 mining report, the scoping study, based on which the report was drafted, did not come across any quasi fiscal expenditures by SOEs' in 2017 and 2018. As a result, quasi fiscal expenditures were not covered in the report.	GNPC's expenditure, p.119 on update on the settlement of the Fifty Million Dollar loan from the Ministry of Finance to GNPC). GHEITI (2020). Validation reports (1. Request for Information on the GNPC Quasi Fiscal Expenditures, 2. Re-Request for Information on GNPC Quasi Fiscal Expenditure and 3. Meeting on GHEITI Scoping Study report and Templates finalization). Available at https://tinyurl.com/w6gnmj8. Accessed on 07.04.2020. **Mining**	identified and documented.		

			2017 - 2018 Mining EITI Report (p.141 on QFE)			
	Where quasi-fiscal expenditures exist and are material, the MSG has developed a reporting process for disclosure of quasi-fiscal expenditures and these expenditures have been disclosed accordingly (6.2)	**Oil and Gas.** The 2017 -2018 report did not disclose any new quasi-fiscal expenditure. The report provided updates on two previously reported QFEs. It noted efforts to settle two previously identified quasi fiscal expenditures based on recommendations from the 2016 EITI Report. The same report also flagged that in line with the Corporation's role as the gas aggregator, GNPC was requested by the government of Ghana to financially support the construction of key roads within the western corridor to facilitate the evacuation of gas from the Ghana Gas Company at Atuabo. Minutes of MSG meeting held on 15.11.2019 confirmed the MSG's agreement that none of GNPC's social expenditures qualified as QFE. The	**Oil and Gas** 2017 - 2018 Oil and Gas EITI Report (p.115 on QFE, p.125 on status of implementation of previous recommendations on QFEs, p.124 on GNPC's expenditure, p.119 on update on the Fifty Million Dollar loan from the Ministry of Finance to GNPC). Public Interest and Accountability Committee (2018). Annual report on the management and use of petroleum	Stakeholders indicated that there were no evidence of QFEs by GNPC within the 2017-2018 fiscal year. According to stakeholders, reports by PIAC and the Institute for Fiscal Studies (IFS) were mainly statements of caution and not actual happenings. Stakeholders (from GNPC) noted that while their	Meaningful progress	In accordance with Requirement 6.2, Ghana should continuously monitor and fully disclose any quasi-fiscal expenditure undertaken by extractives SOEs. Where such quasi-fiscal expenditures are identified, the MSG should work closely with GNPC, MOF, PIAC and stakeholders to clarify specific quasi-fiscal expenditures within the years under review. The MSG should develop a reporting process for quasi-fiscal expenditures with a

		decision was supported with four reasons: 1. Expenditures were within GNPC's corporate strategy, approved by parliament 2. The expenditures were not undertaken on the request of government 3. Educational related expenditures were in line with GNPC's mandate 4. GNPC corporate social responsibility strategy is not different from that of other partners In addition, the MSG sent a letter (dated 19.11.2019 and 20.11.2019) to the Ministry of Finance and GNPC respectively to both confirm (or otherwise) the conclusion of the MSG with regards to QFEs in 2017-2018 reporting year. A reply from GNPC confirmed that though USD 6.76 million and USD 4.14 million were paid in 2017 and 2018 respectively by the corporation for the Gas Enclave Road of 2015, there were no quasi-fiscal	revenues for the period 2018. Available on https://www.piacghana.org/portal/ GHEITI (2020) Validation reports (Request for Information on the GNPC Quasi Fiscal Expenditures and Technical Roundtable-2017-18 GHEITI Templates-Final) Available at https://tinyurl.com/w6gnmj8. Accessed on 07.04.2020 GNPC (2020), '2018 Consolidated Financial Statement'. Accessed in September 2020. Available at: http://www.gnpcghana.com/speeches/2018_financial.pdf	expenditure on the construction of key roads within the western corridor was at the request of the government, they were executed as part of their commercial interest, ie, to facilitate the evacuation of gas from the Ghana Gas Company at Atuabo.		view to achieving a level of transparency commensurate with other payments and revenue streams.

		expenditures in 2017-2019. A reply from MOF confirmed that there were no quasi-fiscal expenditures in 2017-2019 and that the previous QFEs in 2015/2016 had been honored in 2017/2018 fiscal year. All letters and documentation of MSG discussions are available on GHEITI website. However, available public report suggests that there is a tendency for the government to use GNPC to finance quasi-fiscal expenditures. The 2018 report by the Public Interest and Accountability Committee (PIAC) specify at least eight GNPC activities that could be considered QFEs. It must be noted that it remains unclear how many of these specifically took place in the year under review (2017 and 2018). The PIAC report highlights a GHC 102,537,354.00 (USD 21,270,220.92) GNPC expenditure on gas debt involving the government of government. The same report also notes two different payments to the MOF involving the enclave roads and a total loans and guarantees provided by GNPC to other SOEs totalling USD 325m as of end-2018 (p.104-105).	**Mining** 2017 - 2018 Mining report (p.141 on QFE)			

		Beside notes that this information was sourced from GNPC in 2018, the exact dates, terms and conditions related to this expenditure is not clarified in the PIAC report. It is important to note that the GHEITI Report did not cover some of the expenditures within the same year under review. The PIAC report concludes that there is a consistent and disturbing pattern of political interference in the affairs of GNPC. As discussed below, GNPC 2018 AFS confirms that additional loans extended from GNPC to government exist. Note 18 of the AFS indicates that GNPC is owed USD 103 .5m (290.9m in 2017) from the government and its agencies in 2018. The PIAC report also maintains reservation regarding the manner in which the USD 50m loan was requested by the Ministry to be expunged by GNPC, noting that the arrangement was not based on mutual consent of the two parties (p.105). As a result of these, EITI Reports and other publicly available reports have cautioned about the tendency of the government to use GNPC to finance quasi-fiscal expenditures. According to the Ghana Institute of Fiscal Studies				

		(IFS) , "given GNPC's relatively strong balance sheet and cash flows, and the government's disinclination to issue sovereign guarantees in support of state-owned enterprises, the Corporation (GNPC) has become a de facto "guarantor of last resort" in the energy sector, providing guarantees on behalf of Electricity Company of Ghana (ECG), Volta River Authority (VRA), Tema Oil Refinery (TOR), and Bulk Oil Storage and Transportation Company (BOST)" (p.4). Mining: According to the 2017-2018 mining report, the scoping study, based on which the report was drafted, did not come across any quasi fiscal expenditures by SOEs' in 2017 and 2018. As a result, quasi fiscal expenditures were not covered in the report GNPC's audited financial statements for 2018 provide further information on a loan provided by GNPC to the government (Ministry of Energy) amounting to USD 25.2m. This loan may be considered a quasi-fiscal expenditure in accordance with the				

		IMF definition referred to in Requirement 6.2.				

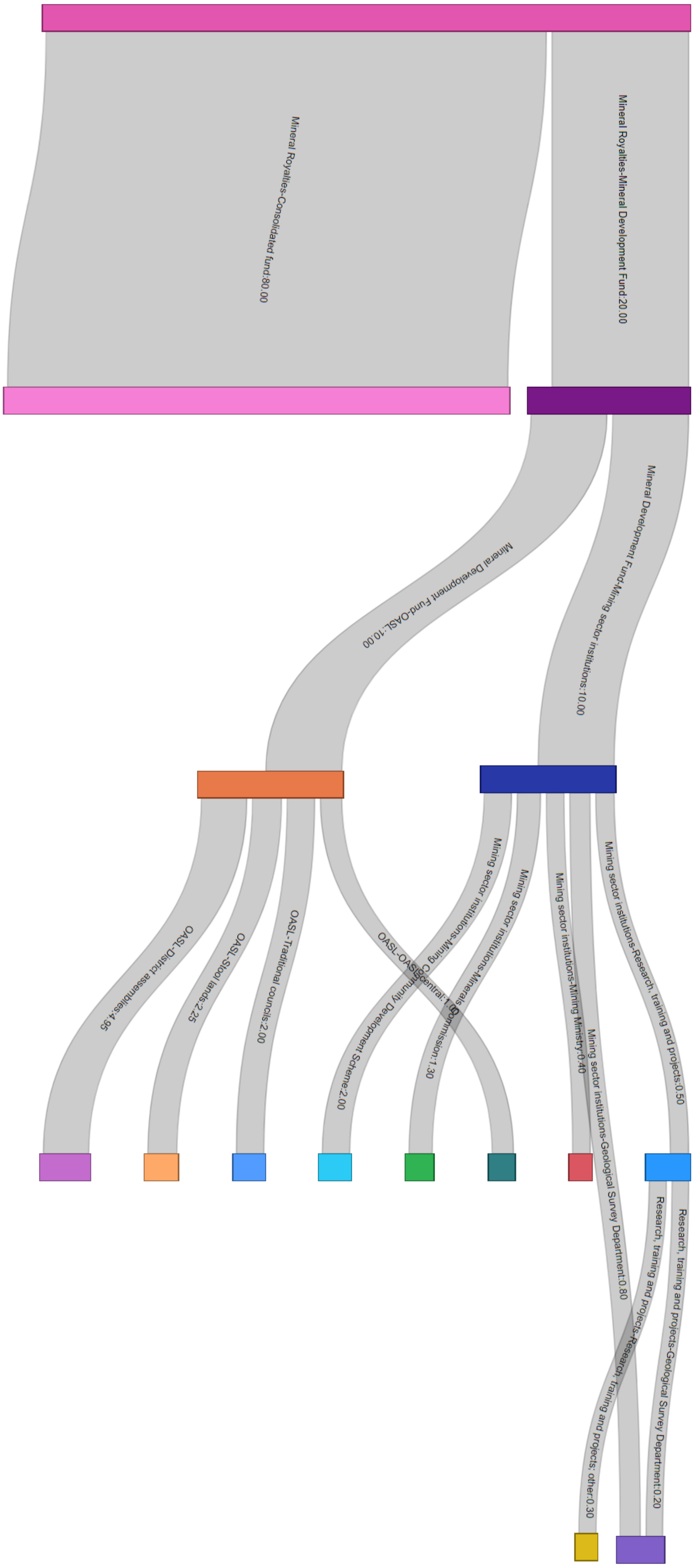
Annex B: MSG members and composition

Member	Constituency	Organisation
MR. PATRICK NOMO	Government / MSG Chair	Ministry of Finance
MR. FRANKLIN ASHIADEY	Government	Ministry of Finance
MR. WAYO ABUBAKARI	Government	Office of the President
MR. SULEMANU KONEY	Government	Ghana Chamber of Mines
MR DICKSON AGBOGOH	Civil Society	ISODEC/Publish What You Pay
MR. BEN GRAHAM	Government	Ghana Revenue Authority (Customs)
Mr. WISDOM POPULAMPO	Government	Minerals Commission
MR. J.B. OKAI	Government	Ministry of Petroleum
MR. HABIB IDRISSU	Industry	Ghana Manganese Co. Ltd
DR. STEVE MANTEAW	Civil society / Co-chair	ISODEC/Publish What You Pay-Ghana
MR. ALEC FRIMPONG KUMI	Government	Ghana Revenue Authority (Mining Desk)
MR BEN ARYEE	Government	Ministry of Lands and Natural Resources
MRS. ZULEIKA MATE	Industry	Eni (E&P) Ghana Ltd
MR.SAMUEL SACKEY	Government	Ghana Revenue Authority
MR.HABIB IDRISU	Companies	Ghana Manganese Company
MRS. HANNAH O. KORANTENG	Civil Society	Wacam
MRS CYNTHIS LUMOR	Industry	Tullow Gh. Ltd
DR. FRANK BOATENG	Government (sub-national rep.)	Tarkwa-Nsuaem Municipal Assembly
MR. GEORGE SARPONG	Companies	Kosmos Energy
MR. FRANCIS APENI Fr	Government (sub-national rep.)	Ellembelle District Assembly
MR. GEORGE ADDY-MORTON	Government	Petroleum Commission
MS. LINDA TAMAKLOE	Government	GNPC
MR. DAVID K. OWUSU	Government (alternate)	Petroleum Commission
MR. SAMPSON KUSI - APPIAH	Companies (alternate)	Kosmos Energy
MR. CHRISTOPHER NYARKO	Companies (alternate)	Ghana Chamber of Mines
MR. FRANCIS SAMANHYIA	Companies (alternate)	Eni (E&P) Ghana Ltd
MR. GEORGE ALLAN LASSEY	Companies (alternate)	Tullow Ghana Ltd
MR. DAVID K. OWUSU	Government (alternate)	Petroleum Commission

GHEITI secretariat	Role	Organisation
MR. M. B. ABDUL-RAZAK	National coordinator	Ministry of Finance
MS. VICTORIA BENSON	Secretariat staff	Ministry of Finance
MRS. ADWOA FRAIKUE	Secretariat staff	Ministry of Finance
MRS. ADWOA AMPEAH-ASANTE	Secretariat staff	Ministry of Finance
MR. FOSTER GYAMFI	Secretariat staff	Ministry of Finance
MR. IDRISSU SHARUDEEN	Secretariat staff	Ministry of Finance
MR. ROBERT MENSAH	Secretariat staff	Ministry of Finance
MR. BEDIAKO KELVIN	Secretariat staff	Ministry of Finance

Annex C: Statutory subnational transfers of mineral royalties as of 2017

Mineral royalties	Stage 1 distribution	Stage 2 distribution	Stage 3 distribution	Stage 4 distribution
Consolidated fund	80.00%			
Mineral Development Fund	20.00%			
OASL		10.00%		
OASL central			1.00%	
District assemblies			4.95%	
Stool lands			2.25%	
Traditional councils			2.00%	
Mining sector institutions		10.00%		
Mining Community Development Scheme			2.00%	
Mining Ministry			0.40%	
Minerals Commission			1.30%	
Geological Survey Department			0.80%	
Research, training and projects			0.50%	
Geological Survey Department				0.20%
Research, training and projects: other				0.30%


Mineral Royalties-Consolidated fund:80.00
Mineral Royalties-Mineral Development Fund:20.00
Mineral Development Fund-OASL:10.00
Mineral Development Fund-Mining sector institutions:10.00
OASL-District assemblies:4.95
OASL-Stool lands:2.25
OASL-Traditional councils:2.00
Mining sector institutions-Minerals Commission:1.30
Mining sector institutions-Mining Ministry:0.40
Mining sector institutions-Geological Survey Department:0.80
Mining sector institutions-Research, training and projects:0.50
Research, training and projects-Research, training and projects: other:0.30
Research, training and projects-Geological Survey Department:0.20