Ghana 2017 Validation comparison matrix

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
Requirement 2.1 – Legal Framework Implementing countries must disclose a description of the legal framework and fiscal regime governing the extractive industries. This information must include a summary description of the fiscal regime, including the level of fiscal devolution, an overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies.	The legal framework and fiscal regime governing the extractive industries are described in the respective reports, if not always very clearly or in one convenient place. The description of the various (several) fiscal regime(s) for the oil/gas sector comes across as confusing, casting doubt on the clarity and equitability of the fiscal regime itself. Information on the roles and responsibilities of the relevant government agencies is included in the reports, as is information on reforms of the system. The International Secretariat's initial assessment is that Ghana has made **satisfactory progress** in meeting this requirement.	No comments from stakeholders.	We disagree that Ghana has made satisfactory progress in meeting this provision and instead find that its level of progress is **MEANINGFUL**. Provision 2.1 requires a summary of the level of fiscal devolution; the Initial Assessment finds that the "report makes no reference to fiscal devolution" (at least as to petroleum).	The MSG disagreed with the score of meaningful progress by the Independent Validator (I.V) and that Ghana deserves a better score (satisfactory progress or better). The reason is that Ghana's petroleum sector is governed by law (Petroleum Revenue Management Act – PRMA) which stipulates how revenues (fiscals) are distributed or should be spent. Therefore, it appears the I.V does not understand the allocative functions in the PRMA which provides that allocation be made to four (4) priority areas under the Annual Budget Funding Amount. The areas are normally discussed at a public debate by the citizens through the Public Interest and Accountability Committee platform. In addition, Section 24 of the law offers opportunity for the people to demonstrate for negative impact. Payments of compensation to affected people also exist based on the established law.	The Committee needs to make a recommendation on whether the Board's assessment of requirement 2.1 should be "satisfactory progress" or "meaningful progress". If "meaningful progress", the Committee should specify which provisions it considers to be breached, and recommend corrective actions.
Requirement 2.2 – License allocations	The 2014 oil/gas and mining reports comprehensively disclose	No comments from stakeholders.	We disagree that Ghana has made satisfactory		The Committee needs to recommend to the

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
Implementing countries are required to disclose the following information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report during the accounting period covered by the EITI Report: 1) a description of the process for transferring or awarding the license; 2) the technical and financial criteria used; 3) information about the recipient(s) of the license that has been transferred or awarded, including consortium members where applicable; and 4) any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards. It is required that the information set out above is disclosed for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report. Any significant legal or practical barriers	the respective process for awarding licences, consisting in both sectors of a first-come-first-served negotiated process in multiple steps. The technical and financial criteria for awarding licenses are described in general terms on the GHEITI website but this is not linked to the 2014 reports. In the absence of any transfers of licenses within the reporting period, neither report addresses the process of transferring licenses. License awards are comprehensively listed, including awards to companies that are not subsequently subject to EITI reporting of payments. The efficiency and effectiveness of licensing procedures are discussed in the reports, leading to recommendations for change which has potentially contributed to ongoing sector reforms. The International Secretariat's initial assessment is that Ghana has made **satisfactory progress** in meeting this requirement.		progress in meeting this provision and instead find the Initial Assessment does not document the facts necessary to make an assessment. The Initial Assessment does not document whether the technical and financial criteria for mining awards are disclosed in the EITI Report; confirmation that there were no 2014 transfers of oil and gas licenses is missing; there is no mention of whether consortium members are disclosed (oil and gas and mining); and there is no discussion of whether deviations as to oil and gas awards are disclosed.		Board an assessment of requirement 2.2, even in the absence of an assessment by the Independent Validator. If less than "satisfactory progress", the Committee should specify which provisions it considers to be breached, and recommend corrective actions.

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them. b) Where companies covered in the EITI Report hold licenses that were allocated prior to the accounting period of the EITI Report, implementing countries are encouraged, if feasible, to disclose the information set out in 2.2(a) for these licenses. c) Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, the government is required to disclose the list of applicants and the bid criteria. D) Where the requisite information set out in 2.2(a-c) is already publicly available, it is sufficient to include a reference or link in the EITI Report.					
Requirement 4.3 – Infrastructure provisions	The MSG has considered whether there are any agreements, or sets	"If there are no issues on this requirement, why is the country ranked 'meaningful progress'? In	We disagree that Ghana has made meaningful progress in meeting this	No comments from stakeholders.	The Committee needs to make a recommendation on

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
and barter arrangements. The multi-stakeholder group and the Independent Administrator are required to consider whether there are any agreements, or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities. To be able to do so, the multi-stakeholder group and the Independent Administrator need to gain a full understanding of: the terms of the relevant agreements and contracts, the parties involved, the resources which have been pledged by the state, the value of the balancing benefit stream (e.g. infrastructure works), and the materiality of these agreements relative to conventional contracts. Where the multi-stakeholder group concludes that these agreements are material, the multi-stakeholder	of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities, in accordance with requirement 4.3. The IA and MSG considered in particular the Master Facility Agreement of 2011 and have covered the agreement in the 2012-13 and 2014 reports, as this is an agreement involving the provision of infrastructure. The International Secretariat's initial assessment is that Ghana has made **meaningful progress** in meeting this requirement.	my view, it should be satisfactory progress" (MSG Member Christopher Nyarko, Ghana Chamber of Mines).	provision and instead find that this provision is **NOT APPLICABLE** to Ghana's reporting in 2014. The Master Facility Agreement does not constitute an agreement to provide goods, services, or infrastructure in exchange of Exploration & Production (E&P) concessions or physical delivery of oil or gas. There is no evidence of any infrastructure provisions and barter arrangements.		whether the Board's assessment of requirement 4.3 should be "meaningful progress" or "not applicable".

Requirement	International Secretariat's initial assessment ([source])	Comments from stakeholders on the Secretariat's initial report ([source])	Independent Validator's assessment ([source])	Comments from stakeholders on the Validation report (source)	Next steps
group and the Independent Administrator are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams. Where reconciliation of key transactions is not feasible, the multi-stakeholder group should agree an approach for unilateral disclosure by the parties to the agreement(s) to be included in the EITI Report.					
Requirement 6.1 - Social expenditures by extractive companies. a) Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these transactions. Where such benefits are provided in kind, it is required that implementing countries disclose the nature and	From information spread across the 2012-13 and 2014 oil/gas and mining reports, it becomes clear that there are no mandatory social expenditures in Ghana. Both sector reports contain descriptions and some figures of voluntary CSR projects by some companies, without, however, being consistent and comprehensive across each sector. The International Secretariat's initial assessment is that Ghana has made **satisfactory progress** in meeting this requirement.	No comments from stakeholders.	We disagree that Ghana has made satisfactory progress in meeting this provision and instead find that the provision is **NOT APPLICABLE**. The disclosure of voluntary social expenditures is encouraged, but not required. If there are no mandatory social expenditures, then this provision is not applicable. We note a broader issue for the EITI across the different countries: the	No comments from stakeholders.	There is a compelling argument in favour of considering this requirement Not Applicable. The Secretariat has modified the Board paper to reflect this and the Committee does not need to make a recommendation – this line is only for information.

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
the deemed value of the in kind transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these transactions. b) Where the multi-stakeholder group agrees that discretionary social expenditures and transfers are material, the multi-stakeholder group is encouraged to develop a reporting process with a view to achieving transparency commensurate with the disclosure of other payments and revenue streams to government entities. Where reconciliation of key transactions is not possible, e.g., where company payments are in kind or to a non-governmental third party, the multi-stakeholder group may wish to agree an approach for voluntary			interpretation and treatment of local content provisions as social expenditures should be analysed further and proper guidance provided to EITI countries.		

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
unilateral company and/or government disclosures.					
Requirement 6.2 - Quasi-fiscal expenditures. Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOE(s) on their quasi-fiscal expenditures. Quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process. The multi-stakeholder group is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE subsidiaries and joint ventures.	The oil/gas report does not give a clear picture of GNPC finances and contains no recognition of the possible incidence of quasi-fiscal expenditures, when in reality there might be some. The sizable expense by a GNPC subsidiary in the mining sector for road rehabilitation also leaves a doubt that would justify an open discussion. The International Secretariat's initial assessment is that Ghana has made **meaningful progress** in meeting this requirement.	No comments from stakeholders.	We disagree that Ghana has made meaningful progress in meeting this provision and instead find that its level of progress is **INADEQUATE**. The oil and gas report does not give a clear picture of GNPC finances and contains no recognition of the possible incidents of quasi-fiscal expenditures, when in reality, there appear to be such expenditures. The sizable expense by a GNPC subsidiary in the mining sector for road rehabilitation also casts doubt that would justify an open discussion.	The MSG disagrees with the score of the level of inadequate progress and deemed the score as unfair. This is because payments of this nature are NOT quasi[-fiscal expenditures] but Corporate Social Responsibility (CSR). Indeed all companies make contributions in the development of infrastructure including road construction in their Catchment area(s).	The Committee needs to make a recommendation on whether the Board's assessment of requirement 6.2 should be "meaningful progress" or "inadequate progress". The Independent Validator uses the same language as the International Secretariat to justify the Validator's recommendation of "inadequate progress". There is in other words no disagreement on the facts, but rather on the severity of the shortcomings.
Requirement 6.3 - The contribution of the extractive sector to the economy.	The two sectoral reports contain all the information required by provision 6.3, with the small	No comments from stakeholders.	We disagree that Ghana has made satisfactory progress in meeting this provision and instead	The MSG disagrees with the score of Meaningful Progress for the following reasons.	The Committee needs to make a recommendation on whether the Board's

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
Implementing countries must disclose, when available, information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report. It is required that this information includes: a) The size of the extractive industries in absolute terms and as a percentage of Gross Domestic Product as well as an estimate of informal sector activity, including but not necessarily limited to artisanal and small scale mining. b) Total government revenues generated by the extractive industries (including taxes, royalties, bonuses, fees, and other payments) in absolute terms and as a percentage of total government revenues. c) Exports from the extractive industries in absolute terms and as a percentage of total exports. d) Employment in the extractive industries in	exception of key regions of non-gold production in the mining report. The International Secretariat's initial assessment is that Ghana has made **satisfactory progress** in meeting this requirement.		find that its level of progress is **MEANINGFUL**. The Initial Assessment does not document an estimate of informal sector activity, although ASM activity is discussed in other sections of the EITI Report and the Initial Assessment. Absent this information, we find that Ghana has made meaningful progress.	- The issue was first highlighted in our EITI reports which estimated 34% of gold production as contribution from ASM sector to the mining sector. -Following from this, a scoping study on ASM sector was conducted and even an engagement with the sector commenced to include the sector as part of the EITI reporting. For us, GHEITI should rather be applauded with a better score for flagging/bringing up the issues and not 'punished' with a low score by the I.V.	assessment of requirement 6.3 should be "satisfactory progress" or "meaningful progress". If "meaningful progress", the Committee should specify which provisions it considers to be breached, and recommend corrective actions.

Requirement	International Secretariat's initial assessment (source)	Comments from stakeholders on the Secretariat's initial report (source)	Independent Validator's assessment (source)	Comments from stakeholders on the Validation report (source)	Next steps
absolute terms and as a percentage of the total employment. e) Key regions/areas where production is concentrated.					