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GHANA’S EITI: LESSONS FROM MINING AND POLICY IMPLICATIONS FOR OIL

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ABSTRACT

Launched at the 2002 World Summit on Sustainable Development, Extractive Industry Transparency Initiative (EITI) is a global effort to end lack of transparency and accountability in the generation and use of extractive sector revenues to enhance national development and poverty reduction in the host countries. Ghana signed on to the initiative in 2003. The three EITI audit reports produced at the time of writing provide useful insights into policy gaps and institutional weaknesses which impede Ghana’s ability to maximize its benefits from the mining sector and makes recommendations for addressing these weaknesses.

This paper reviews Ghana’s experience of implementing the transparency initiative in the mining sector. It highlights the key lessons drawn from the exercise and their policy implications for the country’s emerging oil and gas sector. The main thrust of arguments presented in this paper is that Ghana has not made the best of its mineral endowment in terms of revenue generation, management, and use; and that guided by the lessons from the EITI in the mining sector Ghana can do better with its future oil revenues.

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1. INTRODUCTION

Ghana is a mineral rich country and the second largest gold producer in Africa after South Africa. It hosts three of the world’s largest mining companies - Anglo-Gold Ashanti, Newmont and Gold Fields - and is home to over 100 other mining and quarry companies. The country has over the last three decades relied heavily on mining for its development. It privatized almost all its state mines in the 1990s through 2000 in the hope of injecting efficiency and ensuring higher returns from the sector.

In spite of increases in mineral output and gross revenue, partly the results of the sectoral reforms of the 1990s, and partly due to the upward trend in gold prices, many have argued that the government’s take of mineral revenues remains marginal. The country has not witnessed any marked change in its gold revenues since 2004. In fact there have been decline in some instances. The mining sector's contribution to total revenue in the form of corporate income taxes, royalties, payroll taxes, National Reconstruction Levy) in 2000 was 13.7%, while in 2006 it was a mere 9.6%, according to a study commissioned by the Integrated Social Development Centre (ISODEC) in 2009. The mining sector’s share of corporate taxes alone has also been on the decline accounting for less than 2% of total corporate taxes, compared to 29% for the financial sector, 10% for commerce and 16% for manufacturing sector. Industry analysts point to the fiscal regime, particularly the generous tax incentives, including capital allowances, low royalty payments, non-enforcement of capital gains taxes among others, for the low revenue from the mining sector.

Ghana can indeed be included amongst a host of developing countries that have difficulties achieving a sustainable management of their natural resources in terms of minimizing the social and environmental impacts, maximizing their share of returns, and ensuring the optimum use of revenues accruing from the sector. Two major initiatives, the Natural Resource and Environmental Governance Programme (NREG) supported by the World Bank, and other development partners, including the Dutch, and the British; and the Extractive Industries Transparency Initiative (EITI), are currently being implemented to address these challenges. This paper discusses Ghana’s implementation of the EITI in the mining sector, and the lessons and policy implications for the country’s emerging oil and gas sector.

2. THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)

Launched in 2002 at the World Summit on Sustainable Development (WSSD) in Johannesburg, the EITI has come to represent yet another major benchmark in the global quest to ensure that natural resource exploitation and the revenues accruing from them, translate into lasting benefits for the governments and people of developing countries, who though rich in natural resources, continue to wallow in poverty and squalor.
Ghana acceded to the initiative in 2003 and has since taken steps to implement it in its mineral sector. The country has so far produced three EITI audit reports spanning January – June 2004; July – December 2004, and 2005, and is in the process of finalizing its fourth report, spanning 2006, 2007, and 2008. The Ghana EITI (GHEITI) has also gone through international validation and has been adjudged EITI-compliant, making Ghana one of five countries (along with Azerbaijan, Liberia, Mongolia, Timor Leste) and second in Africa to have attained EITI compliant status.

Validation is the EITI quality assurance mechanism. It is meant to ensure that the initiative is implemented in accordance with its guiding principles and criteria as enshrined in the EITI core policy documents. This requires the regular publication of all material oil, gas and mining payments by companies to governments, and all material revenues received by governments from oil, gas and mining companies to a wide audience in a publicly accessible, comprehensive and comprehensible manner (International EITI Secretariat, U.K., 2005)

2.1 EITI – Principles and Criteria

The EITI is a multi-stakeholder (tripartite) initiative, comprising governments, companies, and civil society. Its principles and criteria hinge on the regular publication of all material on oil, gas, and mining payments by companies to governments and receipts of these payments by governments from companies in a manner that is accessible to citizens, both organized and unorganized in a comprehensive and comprehensible format.

The premise is that the availability of such information will bolster the bottom up demand for accountability and therefore ensure effective and efficient use of such revenues. It is required that these payments and receipts, which are to be reconciled by an independent administrator, described variously as auditor, or Aggregator, should have been compiled in line with international accounting and auditing standards. Civil society participation in the initiative is a key requirement. They are to be engaged in the design, implementation, monitoring, and evaluation of the initiative.

2.2 The EITI Quality Assurance Mechanism

Countries join the EITI first as candidates. Later they progress to implementing countries, and end up as compliant countries after successfully undergoing validation. EITI validation ensures compliance to the principles and criteria of the initiative. So far only five countries, Azerbaijan, Liberia, Mongolia, Timor Leste, and Ghana have successfully completed validation and have been conferred compliant status. In March 2010 the validation deadline for Ghana and 19 other EITI implementing countries had to be extended. Following the EITI international board meeting held from April 15 to 16 2010 in Berlin, the Board agreed to grant extensions to 16 countries, namely: Cameroon, Democratic Republic of Congo, Republic of Congo, Gabon, Ghana, Kazakhstan, Kyrgyzstan, Madagascar, Mali, Mauritania, Niger, Nigeria, Peru, Sierra Leone, Timor Leste and Yemen. New deadlines were set for each country. It however, did not approve the request for an extension of the deadline for Equatorial Guinea. Sao Tome and Principe’s application for a voluntary suspension was also not approved (EITI International Board Release, April 2010). As a
result, these countries are no longer considered implementing or candidate countries. Both countries can, however, re-apply to become EITI Candidate countries once the barriers to effective implementation have been addressed. Ghana technically missed the deadline, having submitted its validation report at the eleventh hour but was unable to complete the consideration and approval processes before the March 9, deadline. The country was given up to July 9 2010 to complete its validation process, and on October 29 was adjudged EITI compliant, having met the new deadline.

3. EITI – GHANA’S EXPERIENCE SO FAR

Several factors, including, systemic weaknesses, the absence of a clearly articulated national policy, unfavorable fiscal regime, poor planning, misuse of revenues from the sector especially at the district level, perceived corruption and lack of transparency in the sector account for the inability of Ghana to maximize its benefits from the sector. Ghana’s EITI therefore sets itself on a mission to reversing what has been described as ‘the resource curse’ or the paradox of plenty.

Annan (2008) has aptly noted that wrong decisions, and the manner in which they are made, in terms of investment, employment, community relations, environmental concerns and resettlement obligations, on the part of government and corporate bodies, have pushed many extractive sector businesses into conflict with the communities in which they operate. These conflicts, he observed, have often been aggravated by massive corruption and the lack of transparency associated with the distribution of the wealth generated from the extractive sector.

Indeed a major challenge confronting many natural resource dependent countries, especially in Africa, parts of Asia, and Latin America is how to use their natural resource wealth to fundamentally transform their national economies, generate growth, and help reduce extreme poverty among their citizens. Macartan et. al. (2007) argue that the problem arises partly as a result of governments embarking on the indiscriminate spending of revenues accruing from their natural resource exploitation. Such spending they contend amounts to consumption of capital rather than income and therefore leaves the resource owners poorer over time. Linked to this problem is the issue of poor quality of spending and abuse arising out of opaque and unaccountable decisions around spending. The stated objective of GHEITI therefore is to enhance the development outcomes of the mining sector, and to ensure that the sector contributes positively to the poverty reduction efforts of the state.

Like many other implementing countries, GHEITI is based on the assumption that, when citizens get to know how much has been paid by companies and how much has been received on their behalf they will begin to ask questions as to how these revenues have been used, and that in itself will constitute a disincentive for mismanaging such revenues. Ghana’s EITI implementation has so far focused on mining revenues. Benefit streams captured are royalties, corporate taxes, capital gains tax, ground rent, and corporate social responsibility payments.
Ghana on its own accord decided to undertake a process audit in addition to the revenue audit requirement of the initiative. The process audit focused on the legal and institutional arrangements for the payment and receipt of revenues in the mining sector, with a view to identifying potential revenue leaks. The process audit, which has been seen as an international best practice in the implementation of EITI, revealed systemic weaknesses which allowed for the non-payment of certain statutory taxes in the sector, such as capital gains tax and ground rent. These weaknesses are presently being addressed.

Again, Ghana decided to decentralize its EITI implementation to the sub-national level, requiring the disclosure of revenue (share of royalty) transferred from central government to local authorities, and their utilization. This, again, has been touted by the EITI international secretariat as an international best practice. The sub-national audit of benefit transfers to mining districts have revealed that in several instances, beneficiary districts applied their share of royalty to re-current expenditures rather than to capital expenditures, a situation which partly explains why these districts have little to show for decades of mining in their areas.

It also came to light that the release of benefits by the regional Office of the Administrator of Stool Lands (OASL) were often not accompanied by any advice, making it difficult, if not impossible, for the beneficiary districts to verify the basis of the computation and the correctness of the amounts received. There were also instances where amounts received by the regional OASL office were held for up to nine months, and eventual transfers to the intended beneficiaries were often in installments. The result is unpredictable flow of such revenues, which makes planning for their use difficult.

Ghana’s first three EITI audit reports have also revealed that over the period, mining companies have generally not complied with the statutory requirement to pay capital gains tax on their earnings anytime concessions are traded to third parties for profit. The official explanation provided by the Internal Revenue Service (now, Ghana Revenue Authority) for the situation is that the Minerals Commission, which is the regulatory agency for the mining sector, does not exchange information with the revenue authorities when such transactions occur. As a result, the revenue collection agency is often unaware of these tax opportunities when they arise.

Another tax which has largely gone uncollected over the period is ground rent. Ground rents are supposed to be collected by the OASL on behalf of the land owners and the Stools. This levy has gone uncollected because the rate is just too low at 50GHp per acre of land. The disincentive to collect the ground rent is in line with a fundamental principle in taxation, which is consistent with common logic, that at no time should the cost of collecting a tax exceed the tax to be collected. The GHEITI Multi-stakeholder Steering Committee has therefore accepted the Aggregator’s proposal for an upward adjustment of the rate.

3.1 Civil Society and Ghana’s EITI
The civil society platform for engaging with the EITI is Publish What You Pay- Ghana
The Publish What You Pay campaign was initiated in Ghana in 2004 following a roundtable meeting organized by ISODEC to mobilize civil society input into the EITI and to facilitate an active civil society participation in the monitoring of its implementation.

The broad objectives of the Ghana Campaign are:

- To promote responsible, and sustainable exploitation of Ghana’s natural resources.
- To mobilize civil society to engage with other stakeholders in the implementation and monitoring of the EITI process.
- To promote budget and revenue transparency at the community level, through grassroots participation in budget and revenue tracking.
- To eliminate corruption and incidence of revenue leaks in the extractive sector.
- To ensure that the extractive sector contributes positively to national development and poverty reduction, especially in communities immediately affected by extractive sector activities.

The Coalition has devoted a great deal of its resources and efforts since 2004 to sensitizing, mobilizing and organizing citizens, particularly, mining communities to effectively engage in the Ghana EITI. The Coalition sponsored eight community members drawn from the four mining enclaves on January 15, 2007 to a National Multi Stakeholder Conference on the Implementation of EITI in Ghana. It was a welcomed opportunity to state the PWYP-Ghana demands on Ghana's EITI: (a) to bring on board all other legitimate concerns not captured in the current framework, including other dimensions of transparency, such as contracts, policy formulation, regulatory regime, social and environmental costs and compensation; and (b) seek to bring on board other extractive sector activities not captured in the current implementation framework.

The demands also included the call to pursue EITI within the context of a broader range of complementary reform initiatives including but not limited to:

- Reviewing the existing mining law to make it consistent with the transparency requirements of EITI;
- Formulating in the shortest possible time, a mining policy for the mineral sector;
- Anti-corruption legislation;
- Passing the Right to Information bill;
- Providing civil liberty guarantees, especially for civil society activists;
- Legislating the initiative to make disclosures mandatory.

In general, concerns expressed by community groups in durbars held prior to the conference have centered on the relationship between mining companies and the communities in which they operate. In particular, issues of crop compensation, lack of transparency in the disbursement of mineral royalties from the OASL, environmental cost and compensation, livelihood insecurity and human right abuses perpetrated by mining companies, working in tandem with state security agencies were the most nagging concerns.
Clearly, the EITI as currently designed does not address most of the concerns of community people. It appears that the only motivation for civil society and community people to engage in the process is the expectation that as stakeholders, they will be able to influence the content and scope of the initiative.

3.2 Ghana’s First EITI Audit Report – CSO’s Perspectives

The first Ghana EITI report was completed in February 2007. As part of the strategy to mobilize around the report, PWYP-Ghana commissioned a technical review of the report, which would subsequently be referred to as the Murphy Critique. Following the submission of the Murphy Critique, a civil society technical roundtable was organized to discuss the first Ghana EITI report, with the Murphy Critique serving as a reference document. The roundtable provided the platform for formulating a civil society response to the first Ghana report, which was submitted at a national stakeholder workshop on the report organized on April 3, 2007.

The CSOs meeting that reviewed Ghana’s first EITI report concluded that the report met the minimum requirement of the EITI; that is, to improve development outcomes from payments made to governments by the extractive industries, and to reduce potential for corruption and large scale embezzlement of these payments. Missing from the report, however, was whether the objectives set by GHEITI for itself had been met.

The reasons for the shortcomings of the report were laid largely at the doorstep of the Aggregator’s Terms of Reference rather than with the Aggregator.

The Terms of Reference at the time did not require the Aggregator to:

a. Investigate the basis and the correctness of the computations, as a result of which the appropriateness of the revenues received as mineral royalty, dividends and tax on profit could not be determined.

b. Analyze the tax deductions claimed by the companies for the purpose of identifying any improper claims.

c. Check if the declarations of quantities of minerals declared are in conformity with the declarations made to the Mineral Commission and with the refining certificates.

d. Perform the audit of operating costs in order to assess if the deductions claimed were actually incurred and correspond to legitimate operational expenses as these affect the taxable profit of the companies.

e. Review feasibility reports of the mining companies in order to compare the projected production with the actual production.
The meeting raised concern that the Aggregator did not have access to the contract documents which provide the basis of what companies pay i.e. tax exemptions, and other incentives. It also expressed the view that it does not make for thorough transparency if amounts accruing to the Minerals Development Fund and its utilization are kept from public scrutiny. It agreed that the difficulties encountered by the Aggregator, particularly with regard to access to information, call for expedited legislation of Ghana’s EITI, along with the complementary legislations such as Freedom of Information Bill.

Subsequent to the CSO’s submission, PWYP-Ghana was tasked to prepare and submit new Terms of Reference for Ghana’s EITI audit. The new Terms of Reference accepted by all stakeholders required the Aggregator to ascertain if the revenues received by government agencies have been properly accounted for and disbursed for the intended purposes. It obliges the Aggregator to verify the appropriateness of payments made with regards to mineral royalties, ground rent, dividends, taxation on profits and on mineral rights. The Aggregator is also required to scrutinize payments made to District Assemblies, Traditional Authorities and Stools within the operational areas of mines, and to check if the declarations of quantities of minerals declared are in conformity with the declarations made to the Minerals Commission and with the refining certificates.

The new Terms of Reference also tasks the Aggregator to review the feasibility reports of the mining companies, and to reconcile the data so collected to ascertain if there is any disparity between the governments reported template and the aggregated companies’ reporting template.

4. OIL AND GAS – A NEW FRONTIER OF GHEITI

Following the discovery of oil in commercial quantities in Ghana, it was expected by stakeholders at the national level and international EITI partners, that Ghana will extend its EITI to the oil and gas sector, especially, given that mining revenues, which have hitherto been the focus of GHEITI, pale into insignificance compared to the expected revenues from oil and gas.

Such a suggestion, however, did not appear to be a priority of the then NPP government. A draft national oil and gas policy prepared by the government at the time was very generic in its commitment to open and accountable management of future oil revenues. It also made no explicit mention of EITI even though the country was busy implementing the initiative in the mining sector.

After the regime change of 2008, there appeared to have been some inertia in EITI implementation even in the mining sector. It later became apparent that what seemed like a reluctance to commit to EITI in the oil and gas sector arose out of a misunderstanding of the EITI delivery mechanism, and which led to a semblance of a turf war between the Ministry of Energy and the Ministry of Finance and Economic Planning over which ministry should lead EITI implementation in the oil sector. The two ministries, however, committed
themselves to negotiations and to finding a common ground, a move which paved way for a joint workshop on the roadmap to extending EITI to the oil and gas sector in March 2010.

4.1 Challenges of EITI Extension to Oil and Gas
A number of challenges arise from Ghana’s intent of extending the EITI to the oil and gas sector. The overarching challenge is to get GHEITI and its stakeholders to begin to look at the entire value chain of the extractive sector from exploration decisions, through licensing, environmental impact assessment, exploration, development, production, to sale and therefore revenue collection. This is important because payments and receipts alone do not constitute maximum benefits to the country.

Other challenges include:

a. How to deepen awareness and build capacity of community people at the district level to hold local authorities accountable for the use of extractive sector resources;

b. The need to provide a platform to discuss community concerns in respect of oil exploration and production, and to manage community expectations in respect of the potential impact of future oil and gas revenues.

c. The need to develop a framework for tracking and accounting for the social and environmental costs of mining, and petroleum extraction activities.

5. EITI IN MINING – LESSONS AND POLICY IMPLICATIONS FOR OIL AND GAS

Most EITI implementing countries are focused on oil and gas. Ghana was the first to implement the initiative in the mining sector. It was later followed by Mongolia, which sent a delegation to Ghana in 2007 to learn from Ghana’s experience. The lessons that GHEITI presents are therefore important not only to Ghana but also to all other countries pursuing the revenue transparency agenda in the mining sector.

The key lessons that can be drawn from Ghana’s EITI in the mining sector relate mostly to the governance framework, particularly, the policy and the institutional arrangements for collecting, managing, disbursing, and spending mining revenues. These are discussed below.

5.1 Institutional Weaknesses
A process audit undertaken by GHEITI revealed that substantial revenues are lost to the state as a result of a lack of collaboration between the Internal Revenue Service (IRS) and the Minerals Commission, the regulatory agency for the sector. According to the findings of the first three EITI audit reports spanning 2004 and 2005, even though mining companies had changed hands over the period, none had paid capital gains tax on the profits they presumably made. This is currently being addressed by encouraging the two agencies to exchange information on regular basis to forestall such occurrences.
Presently, Ghana has no independent regulatory agency for the oil sector. A draft National Petroleum Exploration and Production Bill which incorporates the provisions for regulating the industry was laid before Parliament in July 2010. The bill, however, was immediately withdrawn due to several inconsistencies in the assignment of regulatory and policy functions to the Ministry of Energy.

Ghana’s EITI audit reports have also revealed that in some instances customs officials stationed at the mines to observe smelting of the gold ores and to authenticate production certificates have been at post for close to a decade, a situation that can compromise the integrity of the monitoring function of these officials. It is hoped that steps will be taken to ensure that the integrity of the mechanism for monitoring oil and gas production will be secured by rotating the personnel that are assigned this task.

5.2 Inefficiencies in Tax Policy and its Administration
Inefficiencies in tax administration and a weak mining fiscal regime – such as the huge capital allowances deducted up-front and unused balances carried over, stability agreements, and ridiculously low rates for ground rents – account for the low levels of tax revenue in the mining sector. Going into oil and gas, it is important that Ghana takes cognizance of this and ensures that the fiscal regime for the petroleum sector brings fair returns to the country. A cost benefit analysis of the current tax incentive regimes in the natural resource sector in Ghana will help determine whether or not Ghana should continue along the path of inducement through incentives as a way of attracting foreign direct investment.

5.3 Benefit Transfers to Communities
The Ghana EITI audit reports as indicated earlier have revealed several instances where transfers of communities’ share of benefits have been unduly delayed. Such delays in disbursements inhibit district development planning, and must be avoided in respect of future oil revenues.

Again, transfers from the Regional OASL to the districts are often not accompanied by advice. The beneficiary communities therefore are unable to establish the basis of the computation and for that matter the correctness of the amount received. The Regional OASL should be obliged to accompany all disbursements with advice for the sake of probity.

The most important lesson from the mining sector that should inform how revenues are shared, if Ghana chooses a revenue sharing option in the oil and gas sector, is the need for a legislated sharing formula. The formula currently in use in the mining sector has its origin in the constitutional provision in respect of stool lands revenue. The constitution unfortunately does not adequately establish its rationale, and so makes any assessment of claims being made by the frontline oil districts for similar treatment speculative rather than on the basis of established principles.

5.4 Issues of Benefit Utilization
The Ghana EITI audit reports have again exposed instances of predominant use of
communities’ share of mineral royalties for recurrent expenditure to the near neglect of development or capital projects. As already alluded to, this partly explains why most mining districts in Ghana have little to show despite decades of mining activities. The lesson that can be drawn here is the strong need for guidelines on the use of natural resource rents, especially at the community level if direct transfers are made to the sub-national authorities.

5.5 Improving upon the Quality of Spending
For the citizens to feel the real and tangible benefits of natural resource extraction in general, it is important that the legal and institutional arrangements for utilizing the revenues from the sector eliminates the chances of waste by ensuring an open, accountable and participatory decision-making around issues of revenue management. The concept of Community-based Planning, which is consistent with the spirit and letter of the National Development Planning Act 480 of 1994 must be re-activated and pursued in all earnestness.

5.6 Ensuring Sustainability of Ghana’s EITI
After some initial reluctance on the part of the previous NPP government to extend Ghana’s EITI to the oil and gas sector, the current NDC government having committed to that course in its manifesto has charted a roadmap to the extension. That pursuit requires the expansion of the Multi-Stakeholder Steering Committee to include oil sector Ministries, Departments, and Agencies (MDAs), oil companies, and civil society players in the oil and gas sector. This must be done while ensuring that the expanded MSG does not become too unwieldy for effective and efficient operations. A newly drafted governance framework is currently under consideration by the Ghana EITI Multi-stakeholder Steering Committee.

The fact that EITI remains a voluntary initiative raises concern about its long term sustainability. Two implementing countries – Nigeria and Liberia have recognized this challenge and taken steps to address it through legislation. The initiative has therefore become mandatory in these countries and citizens can go to court to force compliance should either government or the companies decline to make public disclosures of receipts and payments respectively. Ghana is currently contemplating a similar step. A draft EITI bill prepared by ISODEC’s panel of Experts on Extractives has been adopted for modification following a multi-stakeholder consensus building workshop on the subject. It is a shared concern that the future EITI Law would not establish a new nomenclature that runs the risk of conflict with existing statutory accountability agencies such as the Auditor Generals Department.

6. CONCLUSION
I have attempted in this paper to explore efforts by Ghana to enhance the development outcomes of its natural resource sector through the transparent and accountable management of revenues from the sector. The lessons from the country’s implementation of the Extractive Industries Transparency Initiative in its mineral sector are insightful and could serve as a useful guide to managing future oil and gas revenues. Our starting point should be: getting the legal framework right, which will require the legislation of EITI, along with filling
identifiable gaps in existing laws. There is also the need to undertake an institutional audit of agencies in the oil and gas sector, the Internal Revenue Authority, Customs, Excise, and Preventive Service in order to identify possible weaknesses for redress.

The Petroleum Revenue Management Bill, passed by Parliament in February 2011, gives some hope that future oil and gas revenues would be managed in line with international best practices. The legislation is strong with respect to the principles of transparency and accountability, which constitute the tenets of EITI.

END NOTES

1Towards a fair and equitable taxation for sustainable development financing in Africa – a case study of trends and nature of taxation in Ghana’s extractive sector - a paper commissioned by the Integrated Social Development Centre and written by Akabzaa Thomas of the University of Ghana and Ayamdoo Charles of CHRAJ as part of ISODEC’s contribution to the global tax justice campaign.

2Globally, 31 countries are recognized as either EITI Candidate or Compliant. These are: Afghanistan, Albania, Azerbaijan, Burkina Faso, Cameroon, Central African Republic, Chad, Cote d’Ivoire, Democratic Republic of Congo, Gabon, Ghana, Guinea, Iraq, Kazakhstan, Kyrgyzstan, Liberia, Madagascar, Mali, Mauritania, Mongolia, Mozambique, Niger, Nigeria, Norway, Peru, Republic of Congo, Sierra Leone, Tanzania, Timor Leste, Yemen, and Zambia.

3Companies that have on their own volition opted to be part of the Ghana EITI are:

- Gold Fields Ghana.– Tarkwa
- Gold Fields – Daman
- Anglo Gold Ashanti – Obuasi,
- Anglo Gold Ashanti- Bibiani
- Anglo Gold Ashanti– Iduapriem
- Bogoso Gold Ltd.
- Ghana Manganese Co – Nusuta
- Ghana Bauxite Co.
- Newmont – Ahafo

4Resource curse and ‘paradox of plenty’ are lexica that, have found popular expression following the 2003 WSSD in Johannesburg even though they have been used as far back as the early 90s (See Auty 1993). They are usually used to establish a correlation between natural resource endowment of a country and the high incidence poverty, social strife, and violent conflicts among its people. The underlining factor of such situation is often poor governance.

5Former UN Secretary General, Kofi Annan, in a foreword to a manual on Conflict-sensitive Business Practice, compiled by International Alert in 2005.

6Publish What You Pay (PWYP) as a global campaign for increased transparency and accountability in the generation and use of extractive sector revenues pre-dates the Extractive Industries Transparency Initiative. It emerged as a response to a Global Witness report “Crude Awakening” published in 1999, and which highlighted massive embezzlement and abuse of revenues from Angola’s oil and gas industry during that country’s civil war, and how that has contributed to the impoverishment of the country’s citizens. Launched in 2002 it has over 300 institutional members and national chapters world-wide.
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Macartan, H; Sachs, J; Stiglitz, J; Escaping the Resource Curse, Columbia, pp. 4-16.


The Institute of Economic Affairs (IEA) Ghana was founded in October 1989 as an independent public policy institute dedicated to the establishment and strengthening of a market economy and a democratic, free and open society. It considers improvements in the legal, social and political institutions as necessary conditions for sustained economic growth and human development.