

Ghana



The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. Learn more and explore findings at www.revenuwatch.org/rgi.

Background

Ghana is the second-largest gold producer in Africa. While it also produces bauxite and manganese, the gold industry contributes more than 90 percent of total mineral revenues. The extractive sector accounted for 56 percent of exports in 2011, up from 12 percent in 2010 due to oil discoveries. However, its overall contri-

Ghana	2000	2005	2011
Population (million)	19.17	21.64	24.97
GDP (constant 2011 international \$ billion)	6.4	12.2	39.2
GDP per capita, PPP (constant 2005 international \$)	1,067	1,208	1,652
Oil and gas revenue (% total government revenue)	6%
Extractive exports (% total exports)	27%	8%	56%

SOURCES: Oil and gas revenue as share of total government revenue from the Economist Intelligence Unit and the International Monetary Fund. All other data from the World Bank.

bution to state revenues is relatively small, leading the government to reform the mining fiscal regime in 2011.

Oil production began in 2011. Oil revenues are projected to surpass mining receipts in the near future, but it is too soon to assess transparency in the oil industry. Ghana's RGI scores apply only to the mining sector.

Ghana's Performance on the RGI

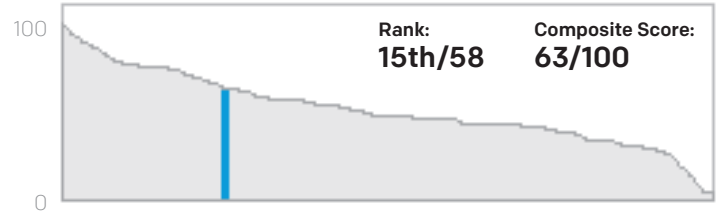
Ghana received a "partial" score of 63, ranking 15th out of 58 countries. It scored particularly well on the Institutional & Legal Setting and Safeguards & Quality Controls components.

Institutional and Legal Setting

(Rank: 12th/58, Score: 79/100)

Ghana earned a "satisfactory" score of 79, the product of substantial disclosure policies and an evolving legal framework.

In 2012 the Ministry of Minerals, Lands and Natural Reserves announced reforms to introduce competitive auctions for mineral licenses. Environmental impact assessments are required prior to licensing, but the results are confidential.



The Large Taxpayer Unit of the Ghana Revenue Authority collects all taxes from mining companies; taxes on dividends are collected by a separate unit of the Finance Ministry. The collecting agencies use some mining revenues in their own budgets rather than depositing them in the treasury.

Ghana is a signatory to the Extractive Industries Transparency Initiative (EITI) and achieved compliant status in 2010. A Freedom of Information Bill has been dormant in Parliament since 2010.

Reporting Practices

(Rank: 25th/58, Score: 51/100)

The government does not publish comprehensive information on most key aspects of the mining industry, resulting in a "partial" score of 51.

Information on applications for mining concessions is available for a fee, but there is no clear explanation of licensing criteria. Mining contracts are not published and it is difficult to evaluate the actual fiscal terms that apply to companies. However, many oil contracts are available on government websites. Some mining companies voluntarily publish their environmental impact assessments.

The Finance Ministry published information for 2011 on gold prices, the value of gold exports, investments in the mining sector, aggregated taxes from mining companies, dividends, license fees, and the sector's contribution to government revenues. The Ministry of Minerals, Lands and Natural Reserves publishes historical information on production volumes, prices, the value of mineral exports, estimates of investment in the mining sector, production stream values, and royalties. The central bank also provides relevant and timely data on exports, production volumes, and prices. The most comprehensive information on mining revenues is published in EITI reports, which include production volumes, mineral export values, the names of companies operating in the country, production data by company, production stream values, royalties, special taxes, dividends, license fees, and acreage fees.

Safeguards and Quality Controls

(Rank: 13th/58, Score: 73/100)

Ghana received a "satisfactory" score of 73, the product of substantive anti-corruption policies but a lack of assertive govern-

ment oversight.

Inadequate resources mean that legislators rarely fulfill the requirement to ratify all mining contracts. Members of parliament from the ruling party are often appointed to the boards of mining companies, giving legislators a personal stake in the industry despite laws prohibiting conflicts of interest.

The Ghana Audit Office reviews government agencies' financial statements and reports to parliament, but audit mechanisms are weak and no reports specific to extractive revenues are published.

Enabling Environment

(Rank: 13th/58, Score: 59/100)

Ghana received a "partial" score of 59, reflecting less-than-satisfactory rankings on measurements of government accountability, transparency, and the rule of law.

Subnational Transfers

(Rank: 11th/30, Score: 69/100)

The central government transfers resource revenue to local authorities, but only after merging them with other revenues in a Common Fund for Local Authorities. Information on distributions from the common fund is published in local government budgets, available by request from local governments or the Interior Ministry. However, the rules that determine the allocations are not available.

Ghana's Composite, Component and Indicator Scores

Rank (out of 58)		Score (out of 100)
15	COMPOSITE SCORE	63
12	Institutional and Legal Setting	79
	Freedom of information law	33
	Comprehensive sector legislation	67
	EITI participation	100
	Independent licensing process	100
	Environmental and social impact assessments required	50
	Clarity in revenue collection	83
	Comprehensive public sector balance	100
	SOC financial reports required	..
	Fund rules defined in law	..
	Subnational transfer rules defined in law	100
25	Reporting Practices	51
	Licensing process	50
	Contracts	33
	Environmental and social impact assessments	0
	Exploration data	50
	Production volumes	67
	Production value	67
	Primary sources of revenue	67
	Secondary sources of revenue	67
	Subsidies	0
	Operating company names	67
	Comprehensive SOC reports	..
	SOC production data	..
	SOC revenue data	..
	SOC quasi fiscal activities	..
	SOC board of directors	..
	Fund rules	..

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	..
	Subnational transfer rules	100
	Comprehensive subnational transfer reports	100
	Subnational reporting of transfers	0
13	Safeguards and Quality Controls	73
	Checks on licensing process	78
	Checks on budgetary process	78
	Quality of government reports	67
	Government disclosure of conflicts of interest	100
	Quality of SOC reports	..
	SOC reports audited	..
	SOC use of international accounting standards	..
	SOC disclosure of conflicts of interest	..
	Quality of fund reports	..
	Fund reports audited	..
	Government follows fund rules	..
	Checks on fund spending	..
	Fund disclosure of conflicts of interest	..
	Quality of subnational transfer reports	50
	Government follows subnational transfer rules	67
13	Enabling Environment	59
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	62
	Open Budget (IBP Index)	64
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	59
	Government effectiveness (WGI)	56
	Rule of law (WGI)	54

■ Satisfactory	■ Weak
■ Partial	■ Failing