

Transparency as Transformation?

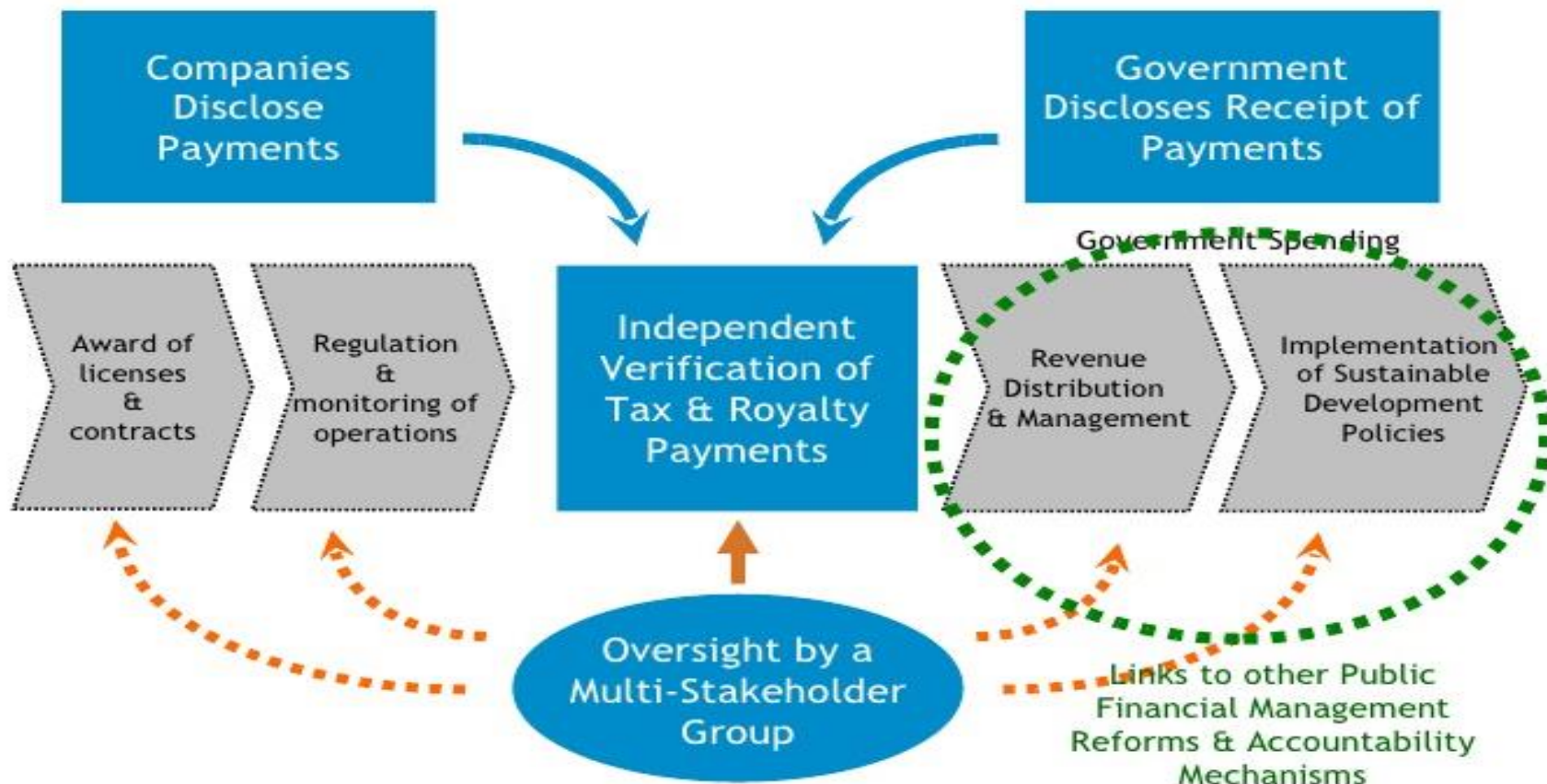
Ghana and the Extractive Industries Transparency Initiative.

TIPS Forum on Industrialization and the Mining
Economy, June 14, 2016.



Setting Out the Debate

- “Resource curse” and the contentious material politics of extraction and utilization
- Mitigating interventions, based on apolitical “good governance” norms
- Research agenda shaped by “norm convergence” with interest in tracking compliance
- Critical comparative political economy points to the intrinsic interaction with power, politics, and contestations



The EITI provides a Forum for dialogue and a Platform for broader reforms

Ghana & the EITI

- The first country to implement in the EITI in the mining sector in 2003
- EITI, part of various market-oriented and “good governance” reforms
- Associated with a host of national-level variations that have been incorporated into EITI Global
- Eight EITI reports at the end of 2014, including one for the new oil and gas industry, and completed EITI validation that made it a “compliant” country.

2 Sides of Mining Reform in Ghana



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EITI “Diplomacy”



Signaling Investors & Donors

“It is hoped that a transparent Extractive Industry in Ghana will bring about an improved investment climate by providing clear signal to investors and the international community, especially financial institutions that the Government of Ghana is committed to these reforms (for) greater transparency”

Hon. Dr. Anthony Osei Akoto(MP), Deputy Minister of Finance and Economic Planning, Jan 15, 2007

Conflictual Path Towards Compliance

- Mining companies, through the Ghana Chamber of Mines, strongly supported the EITI
- NGOs polarized along the Third World Network-Ghana and Publish What You Pay coalition
- Government of Ghana/National Steering Committee vs IMF/World Bank over the selection of aggregator

Innovations in GHEITI

- Reliance on domestic procurement laws, opposed to so-called global standards, and local auditing firm (Boas & Associates)
- Auditor's Terms of Reference: Process auditing and qualitative information about the sector.
- Sub-national reporting targeted at disbursements to Local Government Assemblies, mostly excluding payments to traditional authorities

GHEITI: Some Pitfalls

- Difficulty in recording allocations and expenditure of traditional authorities
- Dominance of government representatives on the Steering Committee
- GHEITI generally operates on “goodwill” of stakeholders with no formalized implementation structure
- Representation crisis and poor feedback with the public

GHEITI: Some Pitfalls

“...our representatives don’t report to us as they are supposed to be doing. There is no feedback mechanism. And so it is not just the [state] institutions that are not doing the consultations as they should, but even our representatives on these institutions [GHEITI and PIAC] that are representing interest groups are themselves not doing it.”

-personal interview with leading NGO activist, October 1 2013.

Compliance or Transformation?

- Stakeholder relations, transformed from acrimony to harmony
- High level of compliance among companies and governments
- Institutional and policy gains
 - Revision of mineral royalties
 - Improved inter-sectoral collaboration among government institutions
 - Guidelines for sub-national reporting

Compliance or Transformation?

- GHEITI has facilitated market access not institutional reform
- A lot of the claims of GHEITI impact are questionable given counter claims by others
- Growing discrepancy between GHEITI and targeted constituencies
- Failed to address lop-sided fiscal terms against “legitimate” owners of mineral resources

Many thanks