

SPF NARRATIVE PROGRESS REPORT

Report Period: Half Year (2009)

Contract Ref. No. : 02/SPF/19/Public Agenda/

Organisation: Public Agenda

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Report Approved by:

Signature & Date:

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1. Overview

Public Agenda on behalf of the Coalition of Decentralisation signed a one year grant agreement with the Ghana Research and Advocacy Programme (G-RAP) on the 26.01.09.

The Contract sum was \$104, 069.98. The contract period was broken into two and the current report covers activities for the first quarter. G-RAP released \$50,000 for the first half.

In the agreement public Agenda and the Coalition have as their objective to:

- Raise public awareness and civil society action on decentralization and the devolution of power and resources through advocacy and networking;
- Sensitisation of relevant Government Agencies and MPs on Transparency and Accountability issues within the MMDAs through evidence-based advocacy and engagement;
- Strengthening Civil Society Capacity for effective implementation of the District Development Fund (DDF), the Functional, Organisational Assessment Tool (FOAT)
- Ensuring government accountability to implementation of Decentralisation programme;

Under the agreement a number of activities were outlined to be carried out. Amongst them is a decentralisation workshop to be held in the Western Region to explore various Natural Resource Transparency issues within the Municipal, Metropolitan and District Assemblies (MMDAs).

Public Agenda and the Coalition will undertake a study into Economic decentralisation in Ghana during the second quarter.

G-RAP under the agreement also provided some logistical support to Public Agenda.

The project is being implemented by Public Agenda, together with Resource Link Foundation – Kumasi/Brong-Ahafo and Friends of the Nation based in the Western Region.

During the reporting period an amount of thirty-one thousand, nine hundred and seventy-four cedis, sixty peswas (GHC 31,974.60) was transferred to Friends of the Nation and Resource

Link Foundation to organised a forum on Natural Resource Transparency within MMDAs. The amount included personnel emolument.

Public Agenda also published the outcome of the forum into a news supplement called the “Resource Watch Agenda”. The amount utilised for the supplement was six thousand, four hundred and sixty-eight cedis (GHC 6,468) out of an approved figure of six thousand, nine hundred and forty-one cedis and two peswas.

The period also saw the registration of the coalition and the acquisition of some office equipment.

2. Project Output on Research and advocacy and/or Services delivered:

- The targeted output of our project is to have a non-partisan and non-political platform for obtaining suggestions from CSOs/NGOs and other stakeholders to be imputed into the guidelines for the utilization of mineral and other resource royalties. We spent twenty-seven thousand seven hundred and three cedis, seventy-nine peswas (GHC27, 703.79) in creating the said forum (the report of the workshop is attached as appendix one).
- During the period, the project also started the process of institutionalising the Coalition on Decentralisation. We registered the coalition and obtained both the certificate of incorporation and certificate to commerce business. We also procured equipment to facilitate our work.

Outline outputs during this period	What specific policy issues does this target	What advocacy Output were informed by your research/engagement
a. Tools for social Accountability	Natural resource revenue transparency	<p>The resource curse. In Ghana almost all resource endowed communities are very poor. What happens to the royalties paid to the Assemblies?</p> <p>Five point tools which measure the Neo-liberal approach to social accountability was developed. The tools are:</p> <ul style="list-style-type: none"> • Improved governance and strengthened democratic process • Improved public policies ad services • Identifying and filing of cases against public officials • Working for behavior change of politicians (moving from money-based to issues-oriented politicians) • Getting more people (including APs) talking about MMDA level processes and budgets
b. Institutionalisation of the Coalition on Decentralisation	Bringing together NGOs/CSOs working on Decentralisation in Ghana	<p>Coalition on Decentralisation for efficiency</p> <p>The Coalition has been duly registered. Our registration number G-28,419. The Coalition is made up of Public Agenda, Friends of the Nation and Resource Link Foundation. Our Patron is Dr. Esther Ofei Aboagye and Eric Osa Oduro our solicitor.</p>

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- The target group are CSOs, NGOs, DCEs, DCD and MPs.

3. Summary of Takoradi workshop report.

The Objective of the workshop is to sensitise Civil Society representatives on Resource Revenue Transparency and its utilisation and tracking modes as a means to reversing the local resource curse syndrome.

The workshop was held on the 14th April, 2009 at the Takoradi Beach Hotel. The workshop was attended by about 40 participants drawn from the media, CSOs/NGOs, the District Assemblies, Regional Coordinating Councils and chiefs.

Issues discussed were:

- Tapped and untapped revenue streams for MMDAs
- Minerals revenue for the Benefit of Minerals Rich Communities.
- Civil Society Engagements on Ghana Extractive Industry (EITI)
- The role of the Media in Citizen Government Engagement
- Tools for MMDA towards Social Accountability.

Kwadwo Kyei Yamoah, Project Coordinator for the Friends of the Nation made a presentation on the topic “the state of Ghana’s Resources”. He presented an overview of the resource wealth of the nation: Forestry, solid minerals, Oil/Petroleum and Natural Gas. Forestry accounted for 4.2 percent of GDP in 1990. Since 1983 it has benefited from more than US\$120 million in aid and commercial credits and this doubled in 1985 -1990. He said a century ago, Ghana's tropical hardwood forest extended from about the middle of the country southward to the sea. Moreover, nearly half the country was covered with forests, which included 680 species of trees and several varieties of mahoganies. Now, only about one-third of the country is still forested, and not all of this is of commercial value.

He bemoaned the disparity that existed between the resources endowed communities and their level of development. He traced the reasons for disparities as:

- Communities lack of adequate knowledge of the utilization of the resource revenues.
- Lack of transparency and accountability of the utilization of mineral resource revenue.
- The lack of platforms for communities to engage GOG and other stakeholders to address their concerns.

Bishop Akolgo also treated the topic on tapped and untapped revenue streams for MMDAs. He talked about economic rent. He defined economic rent as “the difference between existing market price for a commodity or input factor and its opportunity cost. Opportunity cost is the reservation price or alternative amount owners of the goods or service would be willing to accept’ (Phina, 2005).”

- Therefore economic rent is a surplus; that is extra revenue that is not required to persuade the investor to continue with the investment. If taxed away by the government, the company will still realise acceptable returns on their investment. Hence if tax is focused on the total revenue for the life of the project minus the exploration cost, development cost, operating cost and the minimum rate of return demanded by the company, it will not initiate distortions in economic decisions (copy of workshop report is attached)

Questions and Comments

What is Transparency and Accountability?

What indicators can be used to measure Transparency and Accountability?

District Assemblies should find various ways and means of generating money (tax).

Is there any law that bans MMDA from going into Business or joint ventures to generate money?

The issues of MP development Fund should be critically looked at because it can generate conflicts between DCE and MP.

People sometimes do not pay taxes because of ignorance of what it is used for.

Assemblies are not economically viable that is why they manipulate financial resources.

Exposed the Ghanaian media, Civil Society, government and government agencies and sub-national governments to natural resource and environmental governance to enhance their knowledge and inform natural resource policies to support rights-based and people centred environmental and natural resource and environmental governance (NREG).

Public Agenda produced 10,000 copies of a news supplement called the Decentralisation Agenda. The aim of the publication is to bridge the information gap that existed around the natural resource revenue utilisation. The news supplement is distributed to the under listed persons/organisations:

3.1 Dissemination Plan

- 15 copies to every district assembly in Ghana
- 5 copies to every member of Parliament
- 10 copies to the seat of Government through the Chief Staff
- 5 copies to every Ministry but 20 copies to the sector Ministry
- 50 copies to every Library
- 2 copies to all diplomatic mission in Ghana
- 50-100 copies to all tertiary institution in Ghana
- 5 copies to all NGO, particularly our collaborators
- 10-20 copies to all our donor grant partners
- We also inset copies in the regular Public Agenda for the general public who buy their newspaper from the newsstands.

By the response we have received from government and government agencies, parliament and some DCEs we can say we are contributing to good environmental governance. The workshop was covered by the Ghana News Agency and Peace FM. Ghanaweb.com republished the GNA story on their website. There has been an overwhelming demand for the news supplements by both NGOs/CSOs and government agencies. We are yet to engage with the tools developed at the workshop.

3.2 We have no comment on the grant and report.

3.3 Our report can be shared by all our stakeholders.

4. Stakeholder Perception

The government perceive our non political and non partisan platform as an objective platform for consensus building on national issues. Policies are assess based on issues raise at our forum.

Members of Parliament perceive the Resource Watch Agenda as a great source of information.

The media and students of our tertiary institutions use our news supplement as reference material for further studies and information.

5. Perception on the general policy making environment in Ghana

The general policy making environment in Ghana have not been participatory enough and lacks transparency. The Coalition's effort is to make natural resource governance very transparent and participatory.

Appendix 1

Coalition on Decentralisation

Public Agenda Friends of the Nation Resource Link Foundation:

REPORT ON

**THE USE OF ROYALTIES IN MINING AND OIL
COMMUNITIES**

AT

Takoradi Beach Hotel

April 2009

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1.0 INTRODUCTION

The Right Based Approach to development can be viewed as a process towards the achievement of particular basic rights, as enshrined in the UN convention on Economic, Cultural and Social Rights and its giving further boost by the Universal declaration of Human Rights. The UN Declaration on the Right to Development states that member states should undertake at the national level all necessary measures to ensure, among other things, equality of opportunity for all in their access to basic resources, education, health services, housing, employment and the fair distribution of income. In reality the resources of communities are however always limited and not all rights necessarily can or are likely to be realised immediately or simultaneously. What is central is the right to take part in the decision-making of the community on what rights are to be realised or enforced and when. Only participation makes it possible to demand other rights and their enactment. The right to participation is therefore a key to the achievement of all other rights. The Coalition for Decentralisation is an association of individual organisations with a degree of regional spread who are interested in ensuring the realisation of the values of citizen's participation in decision making for effective decentralisation in Ghana. The coalition is made up of three organisations (Pubic Agenda, Friends of the Nation, Resource Link) working on local governance and resource revenue transparency of the MMDA¹.

2.0 OBJECTIVE:

To sensitising Civil Society representatives on resource revenue transparency and its utilisation and tracking modes as a means to reversing the local resource curse syndrome.

3.0 WORKSHOP PROCESSINGS:

3.1 DAY I

Opening ceremony

3.1.1 WELCOME ADDRESS:

Mr. Donkris Mevuta, the Executive Director of Friends of the Nation welcomed all participants into the workshop. He said the workshop seeks to offer participants the platform to understand, or at least appreciate the dynamics of decentralisation and make relevant inputs into the quest for “assessing transparency and accountability” in resource revenue disbursement for the local development.

¹ Concept paper by Michael Boadi

3.1.2 SOLIDARITY STATEMENT

The Coalition for Decentralisation is an association of individual organisations with a degree of regional spread who are interested in ensuring the realisation of the values of citizen's participation in decision making for effective decentralisation in Ghana. The coalition is made up of Public Agenda-Accra, Friends of the Nation – Western Region and Resource Link Foundation – Ashanti/Brong-Ahafo Region. These organisations came together to start this project of sensitising Civil Society on resource revenue transparency and its utilisation and tracking modes as a means to reversing the local resource curse syndrome. The Coalition advises Civil Society Organisations to form networks to deal with the fragmented nature of our activities.

3.1.3 KEY NOTE ADDRESS

The key note address was given by the Western Regional Minister, Hon. Paul Evans Aidoo. In his address he said resources are scarce and at any point in time, the Nation or state cannot have at their disposal all the resources that will be required for all her development interventions. This necessarily means that the little that is available must be spread far and wide enough to be able to tackle the most pressing developmental or socio-economic needs of all the Local communities or a particular organ of the State. He also talked about decentralization which started during the colonial era and ever since, there have been efforts by the various regimes to promote decentralization. However, it was only in 1988, under the PNDC, that there was a major and comprehensive move to transfer power from central government to the local level which culminated in the establishment of Metropolitan, Municipal and District Assemblies. Subsequently the Local Government Act, 1993, Act 462 was passed to give legal backing to the decentralization policy and to outline the responsibilities of the Assemblies. The rationale of the decentralization policy was to encourage and promote grassroots participation in local governance and to give the people at the grassroots the opportunity to determine their own development agenda. Hon Paul Evans Aidoo concluded his speech encouraging citizens of Ghana to call at District Offices to request for information on the programmes and projects of the Assembly offices how they are being financed, when the right to information bill is passed.

3.2.1 SESSION 1: TOPIC: THE STATE OF GHANA'S RESOURCES

The state of the Ghana Resources was presented by Kwadwo Kyei Yamoah, Project Coordinator for Friends of the Nation. Kyei outlined the context of his presentation which was included; Ghana Natural Resource, Forestry, Solid Minerals, oil / Petroleum, the reality on the ground and CSO perception. Ghana has a relatively diverse and rich natural resource base, Solid minerals, Forestry, Petroleum & Natural Gas, etc.

Forestry accounted for 4.2 percent of GDP in 1990. Since 1983 it has benefited from more than US\$120 million in aid and commercial credits and this doubled in 1985 -1990. He said a century ago, Ghana's tropical hardwood forest extended from about the middle of the country southward to the sea. Moreover, nearly half the country was covered with forests, which included 680 species of trees and several varieties of mahoganies. Now, only about one-third of the country is still forested, and not all of this is of commercial value.

, Kyei said in Ghana natural resources has been exploited over the years, however, the developmental benefits that should accompany the exploitation cannot be seen in the host communities. These communities have sacrificed and they continue to sacrifice for the rest of the nation and that most of them lack basic utilities and social amenities that could improve their lives. However, these communities experience the environmental degradation and negative livelihood impacts including conflicts and human rights abuse. Kyei noted the following as the reason behind the reality of the ground.

- Communities lack of adequate knowledge of the utilization of the resource revenues.
- Lack of transparency and accountability of the utilization of mineral resource revenue.
- The lack of platforms for communities to engage GOG and other stakeholders to address their concerns.

The last thing he talked about was CSO perception and said this can only be achieved by effective democratic decentralization, where there is maximum civil society participation in management and decision-making as well as monitoring and tracking of the revenue utilization for optimal benefits.

Questions and comments

Oil find is good news but it poses a challenge that is if are do not manage it well.

Formulae of disbursement of mineral revenue are embedded in the constitution. It is therefore difficult for Politicians to manipulate.

With the minerals revenue only 9% of what is generated goes back to the community and that includes what the MMDA get.

3.2.2 Session 2: TAPPED AND UNTAPPED REVENUE STREAMS FOR MMDA.

The presentation on Tapped and Untapped revenue streams for MMDA was done by Bishop Akolgo, Executive Director of ISODEC. Bishop started looking at the Key functions of our Local Authority and also talked about what economic rent is all about. He said economic rent has been defined in various ways by different authors. Some of these definitions are : Economic rent is the difference between the value of production and the costs to extract it.' It is also referred to as 'the reward that a land owner could derive by virtue simply of being a land owner.' The last definition he gave was 'the difference between existing market price for a commodity or input factor and its opportunity cost. Opportunity cost is the reservation price or alternative amount owners of the goods or service would be willing to accept' (Phina, 2005).

Therefore economic rent is a surplus; that is extra revenue that is not required to persuade the investor to continue with the investment. If taxed away by the government, the company will still realise acceptable returns on their investment. Hence if tax is focused on the total revenue for the life of the project minus the exploration cost, development cost, operating cost and the minimum rate of return demanded by the company, it will not initiate distortions in economic decisions. This is the ideal sought after by all government- a neutral tax regime that does not encourage over investment nor deter investments which should otherwise take place.

Questions and Comments

What is Transparency and Accountability?

What indicators can be used to measure Transparency and Accountability?

District Assemblies should find various ways and means of generating money (tax).

Is there any law that bans MMDA from going into Business or joint ventures to generate money?

The issues of MP development Fund should be critically looked at because it can generate conflicts between DCE and MP.

People sometimes do not pay taxes because of ignorance of what it is used for.

Assemblies are not economically viable that is why they manipulate financial resources.

3.3 DAY TWO

3.3.1 Session 3: MINERALS REVENUE FOR THE BENEFIT OF MINERAL RICH COMMUNITIES

The presentation on Minerals Revenue for the Benefit of the rich was done by Eric Osae Oduro from Institute of Local Governance. In his presentation he looked at Governance and decentralisation. He said for local governance we are referring to the governing process through which residents of a particular geographic area smaller than the state are the key decision makers in determining what their priority concerns are, how they will respond to them and what and how resources will be raised to deal with those concerns and in managing the resources. He looked at the concept of Ghana' decentralization and local governance as the relationship between the District Assembly as a political governing body and the people by whose mandate the Assembly was elected or appointed.

Accountability which is essential in governance is a process by which those responsible for the management of public resources demonstrate to stakeholders that those resources are being used efficiently and effectively for their intended purposes. Eric said commissions required to be set up under Article 269 (1) includes; minerals, forestry, fisheries etc just to be sure that issues including royalties are appropriately utilized to benefit mining communities. He emphasized on the perception and evidence of practical differences between the actual provisions made for corporate social responsibility issues and the actual amounts spent and that this is due to the absence of the appropriate monitoring mechanism by all key stakeholders in this regard.

Eric said key stakeholders in development are the central government, development partners and citizens of the country and that there can only be accountability, Transparency and equity on the distribution and utilization of minerals revenue if only there is active participation of key stakeholders. He explain the causes of conflicts and lastly talked about the way forward for reducing conflict in minerals communities and the role CSO can play.

Question, comments and suggestion

There is the need to engage local expertise as a Corporate Social Responsibility but where such competencies are not available locally there is no need in putting pressure on the companies to employ locals. CSO should explain the situation to the locals.

The oil companies should come out with categories of people they will employ so that the communities can educate them selves to that level.

The mining and Oil companies should invest in the local people, built their capacities to suit their qualification.

The District Assemblies should access the potentials in the District and prepare the people to suit it.

CSO should try and track the Corporate Social Responsibility.

3.3.2 Session 3: CIVIL SOCIETY ENGAGEMENT ON GHANA'S EXTRACTIVE INDUSTRY TRANSPARENCY (EITI)

Emmanuel Kuyole from Revenue Watch Institute did a presentation on Civil Society Engagement on Ghana Extractive Industry Transparency. He started his presentation with the background of the extractive sector. He said the Mining industry has long been important and main pillar of the economic activity and international trade. Today Ghana is the second leading gold producing country in Africa after South Africa and marked 10th in terms of world production of gold. The Sector in consistency the highest gross foreign exchange earner from 1999 and contributes about 7% of Ghana's total corporative tax earnings, 33% of total exports and 11% of government revenue. Kuyole explained the stages of implementing the EITI and the Governance structure in Ghana. He said Government of Ghana signed on to the EITI in 2003 and was launched in June, 2004. Presently Ghana EITI MSG is working on legislating the initiative; bring on board, reviewing the terms of reference (TOR) of the aggregator to include a comprehensive process, physical and fiscal audit. Using diagram Kuyole explain the direct and indirect source of revenue for the government. He gave the definition for EITI saying EITI is a global minimum standard for revenue disclosure and it combines transparency (EITIT reports) and accountability (Multi-stakeholder group). He took participants through stages of implementation of EITI, governance structure of Ghana PWYP Coalition, community budget frame work and last thing he talked about in his presentation was the key issue for Advocacy.

3.3.3 Session 6: The role of the media in citizen-government engagement.

The presentation on the role of the media in CGE was done by Mr. Selorm Amevor on behalf of Mr. Michael Boadi, the project Coordinator of the Public Agenda Newspaper. Selorm spoke on the role of the media and indicated that it was important to note that the media is;

It is important to note that a good media is more than...

- Competent journalists
- Enlightened ownership
- Freedom of the press protected by the constitution and other enactments and a
- Strong economic base

However responsible media involves...

- Engaging and challenging the public
- Promoting active discussion and debate and
- Furthering civic culture in the populace

What then is Civic media? Civic media ...

- Reconnects media with citizens
- Improves public discussion
- Strengthens civic environment
- Fosters stronger democratic systems
- Identifies critical public interests

- Provides “space” where citizens and government can share information and views and engage in dialogue

He talked about how to work with the media as well as how to plan the role of the media in our various project. He concluded with how the media can also manage serial callers. He indicated that ‘serial calling’ is not necessarily bad and that CSOs and NGOs can themselves adopt the attitude of calling into programmes of concern and state their position on issues.

3.3.5 Session 7: TOOLS FOR MMDAs TOWARDS SOCIAL ACCOUNTABILITY

The presentation on Tools for MMDA towards social accountability was done by Delasi Amable of Care International . In his presentation, he defined the term social accountability to be obligation of duty bearers/ power-holders to account for or take responsibility for their actions. Delasi also looked at the Neo-Liberal approach to social accountability and why the need for social accountability which he mentioned them to be:

- Improved governance and strengthened democratic process
- Improved public policies ad services
- Identifying and filing of cases against public officials
- Working for behavior change of politicians (moving from money-based to issues-oriented politicians)
- Getting more people (including APs) talking about MMDA level processes and budgets

Delasi also explain the various types of social accountability and the pre-conditions attached to the social accountability which are:

- Conducive political context and culture
- Active and vibrant independent media
- Competent CS
- State / local government capacity
- State – CS synergy
- Access to information

3.3.6 EVALUATION

	Excellent	V. good	Good	Fair	Satisfactory
Facilitation	6	27	7	-	-
Resource persons:					
Topics:					
• State of Ghana's Resources.	4	30	5	1	-
• Tapped and untapped revenue streams for MMDAs	14	25	1	-	-
• Minerals Royalties for the benefits of minerals-rich communities.	10	24	6	-	-
• Panel presentation and discussion on MMDA	7	29	3	1	-
• Tools for engaging MMDA towards Social Accountability	23	14	3	-	-
• The role of the media in Citizen Government engagement.	34	6	-	-	-
Accommodation		14	2	-	-
Food	13	27	-	-	-
Other comments:					
<ul style="list-style-type: none"> The issue of royalties paid by companies in the extractive industries are very important since the District Assemblies and Traditional Council derive a lot of revenue from that source. 					

4.0 CLOSING REMARKS

Michael Boadi from Public Agenda gave the closing remarks. He thank every body for honouring their invitation and wish all participants safe journey to their destinations.

APPENDIX 1

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APPENDIX 2

KEY NOTE ADDRESS

Mr. Chairman,

Executive Director, Friends of the Nation,

Resource Persons,

Members of CBOs here present,

Participants

Ladies and Gentlemen of the media,

Distinguished Invited Guests,

I am very much delighted to be at the opening ceremony of this 2-day Workshop that seeks to ensure some level of Community participation or involvement of how resources are utilized at the local level. My joy stems from the fact that resources are limited. At any point in time, the Nation or institutions of state cannot have at their disposal all the resources that are required for development interventions. This necessarily means that the little that is available must be made to go a long way o tackle the developmental or socio-economic issues of the Local Government or a particular organ of the State.

Mr. Chairman, Ladies and Gentlemen, attempts at decentralization or local governance dates bake to the colonial era and ever since, there has been efforts by the various regimes to promote decentralization. However, it was only in 1988, under the erstwhile PNDC, that there was a major and comprehensive move to transfer power from central government to the local level which culminated in the establishment of Metropolitan, Municipal and District Assemblies.

Subsequently the Local Government Act, 1993, Act 462 was pulmulgated to give legal backing to the decentralization policy and to outline the responsibilities of the Assemblies. The rationale of the decentralization policy was to encourage and promote grassroots participation in local governance and to give the people at the grassroots the opportunity to determine their own development agenda. Hence in the wisdom of the framers of the law, the District Assemblies were to be non-partisan. For it was believed tat in matters of developmental issues such as basic social infrastructure for example, schools, potable water supply, health care, road network, electricity supply, waste management, income generation ventures, etc people could not be divided or could not disagree on ideological basis. In other words the Assemblies were to provide a platform where all and sundry within the community

would come together and work for the socio-economic development of the locality. After all the people at the level are in a better position to determine what they need most.

The functions of the assemblies, as outlined in the local Government Act, 1993 Act 462 point to this fact.

Some of these functions are as follows;

- A District Assembly shall exercise political and administrative authority in the District, provide guidance, give directions to, and supervise all other administrative authorities in the District.
- A District Assembly shall exercise deliberative, legislative and executive functions.
- A District Assembly shall
 - a) Be responsible for the overall development of the district; shall ensure the preparation and submission through the Regional Coordinating Council.
 - (i) Of development plans of the district to the Commission for approval; and
 - (ii) Of the budget of the district related to the approved plans to the Minister for Finance for approval.
 - b) Formulate and execute plans, programmes and strategies for the effective mobilization of the resources necessary for the overall development of the district;
 - c) Promote and support productive activity and social development in the district and remove any obstacle to initiative and development;
 - d) Initiate programmes for the development of basic infrastructure and provide municipal works and services in the district;
 - e) Be responsible for the development, improvement and management of human settlements and the environment in the district;
 - f) In cooperation with the appropriate national and local security agencies be responsible for the maintenance of security and public safety in the district;
 - g) Ensure ready access to courts in the district for the promotion of justice;
 - h) Initiate, sponsor or carry out such studies as may be necessary for discharge of any of the functions conferred by Act 462 or any other enactment; and
 - i) Perform such other functions as may be provided under any other enactment.
- It shall be the responsibility of the District Assembly to take such steps and measures as are necessary and expedient to:

- a) Execute approved development plans for the district
 - b) Guide, encourage and support sub-district local government bodies, public agencies and local communities to perform their roles in the execution of approved development plans;
 - c) Initiate and encourage joint participation with other persons or bodies to execute approved development plans;
 - d) Promote and encourage other persons or bodies to undertake project under approved development plans; and
 - e) Monitor the execution of projects under approved development plans and assess and evaluate their impact on the people's development, the local, district and National economy.
- A district shall coordinate , integrate and harmonize the execution of programmes and projects under approve development plans for the district and other development programmes promoted or carried out by ministries, departments, public corporations and other statutory bodies and non-governmental organizations in the district.

From the foregoing, it is obvious that each District Assembly has vast opportunity to make an impact in its area of jurisdiction. In this regard I wish to state that even before we come to the use of resources, the local people should be mindful of the people they elect to represent them. The fact that these provision have been made in the law does not necessarily mean that they will automatically take effect. There must be a conscious and active effort to implement them. Of all the factors of production, the human resource is the most important and it is only when the human resource available has the competencies, the skills and the soft skills needed to make development take place, which the provision made in the Act can be translated on the ground for the people to benefit. Therefore I believe that civil society should be equally interested in those who elected to serve in the various metropolitan, Municipal and District Assemblies.

Mr. Chairman, when it comes to the resources of the Assembly, we all know that we have the locally generated revenue and the District Assemblies' common fund which was established to give impetus to development at the local level. Apart from these, the District Assemblies may also contract loans from the commercial banks but the law puts a ceiling on the measures are being taken to have the amount reviewed so that District Assemblies can have access to more funding from commercial banks.

The locally generated revenue is obtained through levies and fees imposed in the fee-fixing resolution of the Assembly, whist the common Fund is released quarterly from the District Assemblies' common fund secretariat. It must be noted that District Assemblies are expected to prepare budgets every year as stated earlier when their functions are being outlined. Assembly members participate in the preparation of the final budget document

of each Assembly and are in possession of copies of the same. Therefore from the onset Assembly members have the opportunity of meeting the people in their electoral areas to brief them on the budget and what they should expect to happen in the course of the year. It is for this reason that I said earlier on the civil society should be equally concerned about those who are elected to the various Assemblies. If the Assembly members for a particular electoral area and vice-versa, it will keep a section of the citizen of the Assembly in the dark and for that matter deprived them of making inputs into the Administration of the District.

Aside of the Assembly members, are the personnel of the Assemblies or the Bureaucrats who run the day-to day affairs of the Assembly. These officers play a crucial role in the running of the District Assembly and it will do them as well as the Assemblies a lot of the good if civil society can engage them from time to time to know exactly what is going on in the offices of the District Assemblies. I believe citizens should be able to call at the District Offices to request for information on the programmes and projects of the Assembly offices to request for information on the programme and report of the Assembly and how they are being financed, when the right to information bill is passed. They should be able to inquire about the income and expenditure pattern of the District Assembly at any point in time. It is however important to note that for such inquires to elicit the right responses, it should be done in good faith. If any impression is created that the public is out to find fault with or witch-hunt the officers at the District Assembly, it is obvious that their cooperation will not be forth-coming.

Mr. Chairman, it would also be in order if churches, mosques, traditional rules, associations, professional bodies and other social groupings could invite the officers of the District Assembly for briefing from time to time after which there could be an "open forum" where doubts and misconceptions could be cleared. These encounters will give a lot of information to the public and also enable the Assemblies to put their message across and minimize suspicion.

Mr. Chairman, it would be just a disastrous for the Assemblies if they fail to attain the quantum of revenue needed for their operations, as it would be if the income or revenue available is embezzled or misapplied. Therefore civil society should not only be interested in ensuring that resources are properly utilized, but they should also assist in ensuring that revenue comes into the Assembly coffers, especially the internally generated revenue. Civil society should play an advocacy role for the Assembly to ensure that citizen fulfil their tax obligations. This way we can give proper effect to the decentralization policy.

In conclusion, I wish to call on all assembled here to make very good use of the opportunity offered to work hard to come out with workable proposals that will promote good governance at the local level and also promote value for the money. I also wish to thank the organizers for their kind invitation.

One this note, Mr. chairman, ladies and gentlemen, I now have the singular honour to declare the 2-day workshop duly opened. I wish your fruitful and successful deliberations.

Thank you

APPENDIX 3

THE STATE OF GHANA'S NATURAL RESOURCES

OUTLINE

- GHANA' NATURAL RESOURCES
- FORESTRY
- SOLID MINERALS
- OIL / PETROLEUM
- THE REALITY
- CSO PERCEPTION

GHANA' NATURAL RESOURCES

Ghana has a relatively diverse and rich natural resource base. Solid minerals, Forestry.

Petroleum & Natural Gas, etc.

- Gold, Industrial Diamonds, Manganese ore, Bauxite , Silver
- Hydropower , Petroleum , Natural Gas , Limestone, Beryl
- Salt , Rubber , Tantalite- Columbite , Chromite. etc

Ghana's offshore waters are rich in fish.

FORESTRY

Forestry accounted for 4.2 percent of GDP in 1990. Since 1983 it has benefited from more than US\$120 million in aid and commercial credits and this doubled in 1985 -1990. In 1993 timber and wood products earnings totaled US\$140 million. Between January and November 1994, exports amounted to 919,000 tons and earned US\$212 million. A century ago, Ghana's tropical hardwood forest extended from about the middle of the country southward to the sea. Moreover, nearly half the country was covered with forests, which included 680 species of trees and several varieties of mahoganies. Now; only about one-third of the country is still forested, and not all of this is of commercial value.

SOLID MINERALS

The major minerals currently being mined on commercial scale are gold, diamonds, bauxite, manganese and salt. The mining industry currently contributes about 7% of Ghana's total

corporate tax earnings, 37% of total exports, 12% of government revenue 5% GDP. In 2006, export revenues from the mineral sector amounted to US\$1.2billion.

GHANA'S OIL



GNPC example assumes production of 100,000 barrels per day, “which is the minimum expected from the Jubilee phase 1 Field development.”

Fiscal Benefits to the State (Assumes Reserves of 500 million barrels and Production Period of 15 Years)	
	100,000 Barrels per day @ US \$60 per Barrel
Gross Production	100,000 barrels per day
Royalty	5% of A = 5,000 barrels a day
Net Production	95,000 barrels a day
Production Cost	10,000 barrels a day = equivalent
Basis for Carried Interest	C – D = 85,000 barrels a day
Carried Interest	10% of E = 8,500 per day
Development Cost	US \$3 billion @ US \$60 per barrel = 10,500 barrels a day
Basis for Additional Interest	E – F – G = 66,000 barrels per day
Additional Interest	3.75% of H = 2,475 barrels per day
Basis for Tax	H – I = 63,525 barrels per day
Tax	35% of J = 22,234 barrels per day
Total State Share	B + F + I + K = 38,209 barrels per day

THE REALITY

In Ghana natural resources has been exploited over the years, however, the developmental benefits that should accompany the exploitation cannot be seen in the host communities. These communities have sacrificed and they continue to sacrifice for the rest of the nation.

Most of them lack basic utilities and social amenities that could improve their lives. However, these communities experience the environmental degradation and negative livelihood impacts including conflicts and human rights abuse.



THE REALITY cont.

- Communities are underdeveloped wiles located near great wealth.

Reasons

- Inadequate community participation in decesion-making and management of the resource revenues.

- Communities lack of adequate knowledge of the utilization of the resource revenues.
- Lack of transparency and accountability of utilization.
- The lack of plat forms for communities to engage GOG and other stakeholders to address their concerns.
- Etc.

CSO PERCEPTION

- Ethical Investments,
- Natural Resource Good Governance
- Effective Civic Engagements
- Pro-poor Policy Formulation
- Participatory Implementation and Monitoring.

This can only be achieved by effective democratic decentralization, where there is maximum civil society participation in management and decision-making as well as monitoring and tracking of the revenue utilization for optimal benefits.



TAPPED AND UNTAPPED REVENUE STREAMS FOR MMDAS- Bishop Akolgo-ISODEC.

Quote:

“there are limits to the resources of the local authorities but there is no limit to the demands from the public”.

WHAT I WILL TALK ABOUT

- Key functions of a local authority
- Key principles of taxation
- Traditional sources of revenue
- New sources
- Concept of economic rent and why land tax is more efficient and neutral

KEY FUNCTIONS OF A LOCAL AUTHORITY

- Deliberative
- Planning
- Taxation
- Legislation

KEY PRINCIPLES OF TAXATION

- Neutrality
- Efficiency
- Equity
- Administrability
- Simplicity
- Stability
- Sufficiency

OLD THREE-LEGGED STOOL

- Tax the following, if possible in equal proportions:
- Income
- Property
- Sales

SOURCES OF REVENUE

- six groups namely
- (i) assessment tax;
- (ii) licenses
- (iii) rentals
- (iv) car parking charges, planning fees, compounds, fines, and interest;
- (v) government grants (inclusive of DACF) and
- (vi) loans (from higher levels of government or financial institutions)

NEW SOURCE

- Three factors of production:
- **Land**
- Labour
- Capital
- Returns to each can be taxed but land is more efficient and neutral and land tax will not distort behaviour

CONCEPT OF ECONOMIC RENT

- Economic rent has been defined in various ways by different authors. Some of these definitions include:
- Economic rent is the difference between the value of production and the costs to extract it.’
- It refers to ‘the reward that a land owner could derive by virtue simply of being a land owner.’
- It is ‘the difference between existing market price for a commodity or input factor and its opportunity cost. Opportunity cost is the reservation price or minimum amount owners of the goods or service would be willing to accept’(Phina, 2005).
- Therefore economic rent is a surplus; that is extra revenue that is not required to persuade the investor to continue with the investment. If taxed away by the government, the company will still realise acceptable returns on their investment.

- Hence if tax is focused on the total revenue for the life of the project minus the exploration cost, development cost, operating cost and the minimum rate of return demanded by the company, it will not initiate distortions in economic decisions.
- This is the ideal sought after by all government- a neutral tax regime that does not encourage over investment nor deter investments which should otherwise take place.

APPENDIX 4

MINERAL REVENUE FOR THE BENEFIT OF MINERAL-RICH COMMUNITIES-

E. Oduro Osae

OUTLINE OF PRESENTATION

- COMMON UNDERSTANDING OF GOVERNANCE/LOCAL GOVERNANCE
- DECENTRALISATION AND ACCOUNTABILITY IN MINERAL RESOURCES
- LEGAL PROVISIONS ON MINERAL REVENUE
- MINERAL REVENUE AND CORPORATE SOCIAL RESPONSIBILITY OF FIRMS
- TRANSPARENCY IN THE MANAGEMENT OF MINERAL REVENUE
- KEY STAKEHOLDERS AND ROLE OF CSOs
- CHRONOLOGY OF CONFLICTS IN MINERAL RICH AREAS
- WAY FORWARD.

GOVERNANCE

- The term governance has been defined in many ways with different emphasis. A few of them are indicated below:
- The World Bank (1992) and UNDP (1997) see governance as the exercise of authority by state leaders.
- A second definition emphasizes on the sharing of power for public policy management and delivery services between state and non-state institutional actors(Kernaghan,1993; Fiszbein, 2000)
- The process of decision-making and the process by which decisions are implemented (or not implemented)
- This presentation defines governance as the formal and informal relationships that exist between the government and the governed in the decision making process for the production and delivery of goods and services for the benefit of society.

DECENTRALIZATION AND LOCAL GOVERNANCE

For local governance we are referring to the governing process through which residents of a particular geographic area smaller than the state, are the key decision makers in determining what their priority concerns are, how they will respond to them and what and how resources will be raised to deal with those concerns and in managing the resources.

- The 1992 constitution of Ghana stipulates in Article 240 , that Ghana shall have a system of local government that is as far as possible decentralization.
- Within the concept of Ghana's decentralization local governance is seen as the relationship between the District Assembly as a political governing body and the people by whose mandate the Assembly was elected or appointed.
- Normally representatives of the local residents of these geographically defined areas perform the functions of taking decisions as agents of the people BUT the representatives still remain accountable to the people
- Governance is not seen as Government but the relationship between the assembly as the governing body and the people particularly when decisions that affect the people's productive capacity and welfare livelihood are involved.
- Governance in mineral rich areas therefore implies that some form of relationship must exist between the government and all key stakeholders in decisions about mineral activities, royalties thereof and the sustainable livelihood of the people in these communities.

GOOD GOVERNANCE

It is said that there is good governance when governance involves key stakeholders which leads to equity, transparency and accountability in the sharing and utilization of mineral revenues and other resources obtained from such extractive activities that are responsive to their needs, follows rule of law and above all are consensus oriented.

ACCOUNTABILITY

- Accountability which is essential in governance is a process by which those responsible for the management of public resources demonstrate to stakeholders that those resources are being used efficiently and effectively for their intended purposes.

LEGAL PROVISIONS-MINERAL RESOURCES

- Article 257(6) of the 1992 Constitution vests every natural resources in Ghana in the President on behalf of and in trust for the people of Ghana

- Article 269(1) of the 1992 Constitution again mandates Parliament to pass an act establishing various commissions for the regulation and management of natural resources as well as the coordination of the policies relating to them
- Section 22 of the Minerals and Mining Act, 1986 PNDCL 153 requires a holder of a mining lease to pay to the republic royalty in respect of minerals obtained.

MINERAL RESOURCES (cont'd)

Commissions required to be set up under Article 269 (1) includes; minerals, forestry, fisheries etc just to be sure that issues including royalties are appropriately utilized to benefit mining communities.

Unutilized financial Provision for corporate social responsibility.

- As part of the resources transferred back to the communities are portions of royalties and other initiatives under corporate responsibility
- But what do we see, abject poverty and irresponsible spending and non transparency in the utilization of even the meager portions of such resources which finds their way to the Assemblies. This is evidenced by the audit report on the payment by the mining sector as part of Extractive Industries Transparency Initiative(EITI) revealed that, the bulk of such royalties paid to Assemblies in Ghana are mostly spent on recurrent items instead of capital projects which has the potency of promoting the required development
- No wonder the meeting was unanimous that there is an urgent need for government to design guidelines just as we have on the DACF to regulate the spending of royalties
- Another disturbing factor is the utilization of revenue from the erection of 'MASTS' by telecommunication operators in Ghana e.g. MTN, VODAFONE, KASAPA, TIGO etc .

PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY

- There is the perception and evidence of practical differences between the actual provision made for corporate social responsibility issues and the actual amounts spent.
- This is due to the absence of the appropriate monitoring mechanism by all key stakeholders in this regard.

TRANSPARENCY

Transparency as a tool of accountability however is a system or transaction that enables all key stakeholders in the mineral rich communities to trace the flow, their utilization

and understand the process of decision making around their use be it, financial, human ,capital or provision for corporate social responsibility etc.

KEY STAKEHOLDERS IN MMDA MINERAL REVENUE ACCOUNTABILITY PROCESS

- For good governance and the required development to be brought to the mineral rich communities, key stakeholders which must of necessity be part of the decision making process includes;
- Traditional Authorities
- CSOs and CBOs
- Assembly members
- Area council members
- Unit committee members
- identified Opinion leaders
- Central Government
- Development partners
- Natives and citizens (Taking account of gender , disabled and other vulnerable in society)

REQUIRED ROLE OF CSOs

- CSOs are the only and truly recognized institutions that can objectively put the needed pressure on government at both the national and sub national level to be more transparent and accountable in the utilization of mineral revenue from mineral rich communities. The required roles includes the following;

INFLUENCING MMDA PLANNING AND BUDGETING PROCESS

This is expected to be undertaken through:

- a) Simplifying and disseminating information
- b) Identifying and setting priorities
- c) Influencing revenue policies
- d) Identifying trends and providing projections
- e) Highlighting good practices
- f) Tracking revenue and expenditure

ANALYZING BUDGETS

Through:

- a) Properly ascertaining the budgetary information you require

- b) Developing analytical capacity
- c) Identifying what exactly to analyze
- d) Translating and disseminating the analysis

DEALING WITH OFFICIALDOM BY CSOs

- a) Knowing which officials to deal with is about 50% the battle won
- b) Knowing what kind of relationships to maintain with such officialdom- friendly or officialdom can be another 30% of the battle won AND
- c) Knowing the appropriate strategies to be adopted to effectively engage officialdom is another 20% of the battle won.

HOW WILL THIS BE DONE?

- a) Are we approaching it from the analytical think tank point ,through advocacy or by means of coalition
- b) Are we going to be an ally to the government or its critic etc

WHAT IT TAKES TO DELIVER ON THIS?

- a) Accurate and timely analysis
- b) Effective advocacy
- c) Dedication and all year round of work
- d) Very neutral in position, consistency of message and demand, balanced proposition and objective analysis.

CONSEQUENCIES OF INEFFECTIVE CSOs

- a) Greater poverty, lower growth and slow development
- b) Corruption and weaker democracy
- c) Violence and in the extreme civil war
- d) Underemployment of indigenes in mineral rich areas
- e) Lack of renewability
- f) Currency pressure and a decline in the purchase of domestic goods

GOOD GOVERNANCE AND CSOs

Good governance and development in mineral rich communities have been defined to include the active participation of key stakeholders which will promote accountability , transparency and equity required in the distribution and utilization of mineral revenue.

This collaboration is a required necessity which assemblies must strife in other to promote the required sustainable socio-economic and human development. In the absence of the above, there is bound to be conflicts and agitation in such areas. Chronology of past conflicts

which arose as a result of lack of transparency in the utilization of mineral revenue especially royalties are indicated below:

CHRONOLOGY OF CONFLICTS

- Feb 24 2004: Tension mounting over Newmont Gold prospecting for gold in Nkaseem in Asutifi District
- March 25 2004: Cyanide spillage EPA orders close of Sankofa mines
- Wed. 30th Nov 2005: Mining destroys the ecology of Lake Bosumtwi– Mr. Simon Osei Mensah
- April 1st 2006: Illegal Miners given ultimatum to safeguard nations security.
- April 3rd 2006 Galamsey, chieftaincy conflicts: security challenges
- April 19th 2006: DCE leads the arrest of Galamsey operators
- April 20th 2006 Wassa Chiefs worried over upsurge of small-scale mining
- President Atta-Mills calls for addressing the continuous decline in development in mineral rich communities.

WHY THE CONFLICTS

- Failure to adhere to the demands of Environmental sustainability
- Destroying of lands -Communities predominantly have a livelihood dependent on land for agriculture, hunting and other forests products
- Lack of any linkage between the resources extracted from such communities and development within the community
- Depriving communities of their livelihood without alternative livelihood is likely to generate conflict despite paying compensation
- The influx of migrant labour often leads to higher food prices ,high rent and unemployment within such communities become so acute because of the Restricted employment opportunities thus generating cultural tension in such communities
- Residents in mineral rich areas have high but false hopes of finding employment especially in mining areas but become disillusioned and sometimes bitter when the realities in surface mining having limited job prospects are confronted
- The cumbersome procedure and method of assessing and paying compensation is also a source of conflict eg tree crops are given one-off payment without regard to the period of gestation
- Legitimacy as to beneficiaries of mineral revenue paid is also a potential source of conflict

- Non full utilization of annual budgetary provisions for corporate social responsibility
- The creation of “Class” societies with workers of the mines and their dependants leading an extravagant life as against the residents who see themselves as owners of the land.

WAY FORWARD - REDUCING CONFLICT .

- I believe that when our people are well sensitized on the operations in extractive industry and also a little bit of transparency is brought to bear in the utilization of its revenues, we will have fewer agitations to deal with
- Through education and appropriate sensitization, tools for the required transparency and accountability are gradually been developed and it is hoped to bring good governance and sustainable development in these mineral rich areas.

WAY FORWARD FOR CSOs

- a) Demand transparency in the utilization of revenue from the extractive sector
- b) Advocate for increased spending on investment aimed at development
- c) Direct involvement in all state initiatives to promoting the efficient utilization of revenue from mineral rich areas
- d) Building strongly the M&E capacity of CSOs.

INDEED THIS IS THE CHALLENGE WHICH THE COALITION ON DECENTRALISATION SOUGHT TO ACHIEVE. THANK YOU

THE ROLE OF THE MEDIA IN CITIZEN-GOVERNMENT ENGAGEMENT

1.0 Introduction

In the immediate post independence period most ruling African leaders consolidated and perpetuated power in the name of development journalism. Ghana's first president, Kwame Nkrumah, used the media as a revolutionary tool of African liberation from colonialism and imperialism. Underdeveloped Africa could only hope to develop if the mass media, adopted a revolutionary mission, Nkrumah claimed. Nkrumah defined "the true African newspaper" as “a collective educator - a weapon, first and foremost, to overthrow colonialism and imperialism, and to assist total African independence and unity.

But the concept of development journalism is much more basic and at the same time broader, than what Nkrumah seemed to have been articulating, it is predicated on assumptions that the media have the capacity and power to promote positive change. Development journalism

recognizes the reality of underdevelopment and the fact that development is a valid social goal that the media must actively pursue. Thus the main characteristic of development journalism is the deliberate and active role of the media in pressing for change (Kariithi 1994: 28). It is geared towards mobilizing the people for national development. News about development is important in stimulating further development. (Dr. Audrey Gadzekpo).

2.0 Global Trends

The new development paradigm requires that the development process is:

- democratized, transparent, and participatory. Democratization and participation mean that the people, who are affected by development programs, ought to have their voice heard, ought to be consulted, and ought to have ownership in whatever is being designed for them, in order to ensure success.
- Urbanization and Globalization - Mrs. Tibaijuka the Executive Director of UN-HABITAT stated that "Urbanization and globalisation were dominant trends that were changing the parameters of sustainable development and that the impact of these two trends means that increasingly, Agenda 21 will become an urban agenda." As three fifths of the world's population was soon to live in urban areas this will put a lot of pressure on the media to play its role of informing, entertaining and educating the people of their rights and responsibilities?

3.0 THE ROLE OF THE MEDIA

- The role of the media as per Article 163(5) of the 1992 Constitution reads “all agencies of the mass media shall, at all times, be free to uphold the principles, provisions and objectives of this constitution, and shall uphold the responsibility and accountability of the Government to the people of Ghana”
- The media is also mandated to act as responsible corporate citizen in our democracy

3.1 It is important to note that a good media is more than...

- Competent journalists
- Enlightened ownership
- Freedom of the press protected by the constitution and other enactments and a
- Strong economic base

3.2 However responsible media involves...

- Engaging and challenging the public
- Promoting active discussion and debate and
- Furthering civic culture in the populace

3.3 What then is Civic media? Civic media ...

- Reconnects media with citizens
- Improves public discussion
- Strengthens civic environment
- Fosters stronger democratic systems
- Identifies critical public interests
- Provides “space” where citizens and government can share information and views and engage in dialogue

4.0 How then do we work with the media?

The media can play multiple roles. The media is the bridge between the state or policy makers and the people. The media is the means through which people can communicate with national and sub-national governments and government can communicate with the people.

4.1 In planning this role Mr. Chairman:

1. We must be clear of our objective, that is, what we hope to achieve with the media. Whether we intend to affect policies, explain new policies or affect behaviour change?
2. We need to plan the **message we intend to put out there**. What do we want to put out? Is it a report from a study or a proposed piece of a legislation which we want inputs from the people?
3. The next step is to select the appropriate media. The choice of the media is informed by a number of issues among which are the reach/audience, the editorial policies of the media, sometimes the cost of involving a particular media etc. For those of us in the NGO business, developing a consistent relationship with certain media houses who share our beliefs and philosophies is important.
4. We must consider the possible hindrances or barriers; Poor judgment in terms of timing could hinder the media’s response to our call or if our programmes coinciding with a very important national event or the occurrence of a major catastrophe or disaster.
5. After all the possible hindrances have been considered and avoided we can now go ahead and put out our message(s).

6. The last but not the least to consider is a constructive feedback. A feedback that informs the one engaging with the media will that indeed he/she has successfully communicated.

4.2 Managing serial callers

Serial callers have both their good sides and bad sides. They are a means of receiving feedback.

They represent a fair proportion of rights holders' opinion(s) either for or against the issues that have been presented. The challenge we face is to dispassionately present our position on the issues without being partisan, political or unduly anti-establishment. Then we can expect dispassionate and non political feedback from the so called serial callers. Don't worry about those who will call and make off the mark statements they are usually not your target audience anyway.