



REPUBLIC OF GHANA

MINISTRY OF FINANCE

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PRESS RELEASE

FOR IMMEDIATE RELEASE

GOVERNMENT TO BROADEN CONSULTATIONS IN AGYAPA ROYALTIES TRANSACTION

Accra, Friday, 4th September, 2020 - The Minister for Finance, Hon. Ken Ofori-Atta has expressed Government's readiness to engage and broaden consultation to fill any communication gap in the Agyapa Royalties Transaction.

2. The Ministry will in the coming days, meet with various organized groups such as the Faith Based Organizations, Chiefs and Opinion Leaders, Organized Labour and the Academia in order to further deepen consultations and build unanimity around the transaction.
3. The Minister for Finance made these remarks during a meeting with the leadership of the Alliance of CSOs Working on Extractives, Anti-Corruption and Good Governance on Tuesday, 2nd September 2020.
4. The Finance Minister in his opening remarks stressed that, everything was done in accordance the laws of the land and was done in the full glare of Parliament in the spirit and letter of transparency. The fruitful engagement with the Civil Society Organizations (CSOs) brought out a number of key issues, critical amongst them being the need to broaden the consultation.
5. The Finance Minister explained that, all that has been done with respect to Agyapa is in the interest of the country adding, "I want to assure you that the integrity of the Minerals Income Investment Fund and Agyapa Royalties and what Government intends to have them do are all above board."
6. He explained in detail the various sections of the Minerals Income Investment Fund (MIF) Act that ensures transparency, accountability, profitability, and the management of the transaction. He said Section 4 of the law states that, "the Fund or SPV shall not provide credit to the Gov't, public enterprises, private sector entities or any other person or entity". This, he said, "is clearly against any attempt to abuse the funds. It can, therefore, not be a vehicle for cronyism", he emphasized.
7. Ken Ofori-Atta again acknowledged the critical role of civil society saying, "the role and importance of civil society cannot be exaggerated. You are able to draw citizens and government to our blind spots through your research, policy analysis and advocacy".
8. To this end, he assured them that government "welcomes genuine, informed debate, discussions and citizens' participation in decision-making, especially, concerning the use and management of state resources. No democracy can survive in the absence of an active

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civil society and developments in civil society advocacy in Ghana over the past two decades have enhanced governance and nation building”.

9. He further stated that, transactions such as these, were aimed at accelerating our aspirations of transforming Ghana Beyond Aid. He said, “in order to fulfil this, we must change the status quo that has not served us well and take ownership of our resources, not only when they are within our borders but also when they leave. In this era of interconnectedness and interdependence, Ghana must position itself so that it is able to benefit from the entire resource value chain, including taxes, royalties and foreign capital markets”.
10. Speaking on behalf of the CSOs, Dr. Steve Manteaw, acknowledged that going through all the documents available to them, government is clearly working within the MIIF law. He, however, stressed that broader consultation, such as was done before the passage of the Petroleum Revenue Management Act (PRMA), will result in massive citizen participation in the decision-making and garner broad support on the use and management of flows from Agyapa Royalties.
11. Some of the concerns raised by the CSOs included the registration of the Agyapa in a “tax haven”. Other concerns centred on the payment of royalties and how Government arrived at the CSOs understanding of the fair value of US\$ 1 billion as the transaction value.
12. The Finance Minister explained that, the fair value of US\$ 1 billion was primarily for accounting purposes and was arrived at in accordance with IFRS rules on valuing a financial asset, as it was a requirement for registration of the company and as consideration for the assignment of the specific royalties involved in the transaction from MIIF to Agyapa Royalties and which are captured as a Financial Asset on the books of Agyapa in accordance with IFRS accounting rules. The actual market value, which should be at a multiple to Net Asset Value (NAV), will be arrived at, after the roadshow and the listing.
13. Mr. Charles Adu Boahen, Deputy Minister for Finance in his presentation, provided the road map indicating when the process began, till the passage of the MIIF Act by Parliament in 2018. He also explained how Agyapa will operate, how the values in the transaction was arrived at and gave examples of state-owned and private natural resource companies that had similar structure and arrangement as Agyapa.
14. The Ministry of Finance agreed to provide any further information or documentation that would support the CSOs in their analysis of the transaction.
15. The CSOs present at the meeting included, the African Centre for Energy Policy (ACEP), the Civil Society on Oil & Gas (CSOG), the Natural Resource Governance Institute (NRGI), Centre for Extractive and Development Africa (CEDA), The Integrated Social Development Centre (ISODEC), Institute for Democratic Governance (IDEG), IMANI Centre for Policy & Education (IMANI) and a representative from the University of Ghana (UG). **END**



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THE NEWS EDITORS