

REMARKS DELIVERED BY AHMED NANTOGMAH, DIRECTOR, PUBLIC AFFAIRS AND ENVIRONMENT AT THE LAUNCH OF THE 2012/2013 GHEITI AUDITED REPORT FOR MINING AND OIL/GAS ON FEBRUARY 10, 2015 AT THE MENSVIC HOTEL

It is my profound pleasure to welcome our distinguished audience to the launch of the 2012/2013 Ghana Extractive Industries Transparency Initiative (GHEITI) Audit Reports for Mining and Oil/Gas. This report comes on the heels of milestone achievement in the enactment of policies designed to maximize the benefits of natural resource revenue to the state and citizenry. No doubt Ghana has made enormous strides in its implementation of the EITI which culminated in our country being recognized as compliant with the EITI principles in 2010, the second country to achieve this milestone in Ghana.

It is instructive to note that the accolades that Ghana's EITI has achieved have largely been on the back of the mining industry. Indeed Ghana's EITI implementation was focused exclusively on the mining industry until the year 2010 when the initiative was extended to the oil & gas sector.

Mr. Chairman, I do recall that in the few months subsequent to the launching of the EITI in 2012, the Chamber of Mines participated in the technical workshops and key meetings that defined how the initiative will be implemented. Furthermore, because EITI is a government led initiative, the Chamber persuaded the government of Ghana to sign on to the global initiative and the mining industry collaborated with the then Ministry of Energy to organize the first workshop on EITI in Ghana in 2003. Not long after Ghana signed on the initiative and as it is said, the rest is history.

We have heard comments regarding the reasons why the Chamber will support an initiative which was likely to expose its members companies to ridicule. The reason is simple. One of the important values of the Chamber is transparency and accordingly we supported the initiative wholeheartedly from the onset and up till now.

Mr. Chairman, I wish to commend member companies of the Chamber of Mines who have subjected themselves to the rigors of the EITI since 2005 when the actual audits commenced. Government also deserves commendation for providing the political leadership as well as financial resources for the implementation of the initiative. Civil Society representation has largely been

positive with constructive engagements that has contributed immensely to the success of Ghana's EITI.

Mr. Chairman, as is well known, EITI is about communication and therefore the issues that arise out of the publication of the reconciled reports are as important as the reports themselves, if not more important. In the early years of EITI implementation, discussions on the EITI reports centered on the inadequacy of government's receipts from the mining industry. However as the mining companies get into full production and have fully covered their capital allowances, they begin to pay corporate taxes in addition to mineral royalties, the tone of the deliberations have changed in the light of significant fiscal contributions of the mining industry to government's fiscus. Indeed, the mining industry has been the largest contributor to the Ghana Revenue Authority's collections in the last few years. The refrain in the light of the mining industry's stellar performance is that EITI does not show a complete balance sheet of the mining industry. The cynics explain that whilst its revenues are brought to the fore, through the EITI reports, its costs- environmental and social are not computed.

Mr. Chairman the Chamber supports the call for a cost-benefit analysis of mining in Ghana to be conducted. In that regard, we will humbly request the government and Development Partners to consider providing support for this study in Ghana. It is however our expectation that the study will take cognizance of the various segments of the sector- large-scale, small-scale and illegal mining.

Mr. Chairman, another issue of importance to the Chamber and its member companies, is the manner in which fiscal receipts from the mining industry are channeled through the annual budgets largely for financing recurrent expenditure. It is our humble view that given that these revenues flow from a finite resource, it is prudent that the state sets aside a portion for a rainy day. The mining industry therefore advocates for mineral revenues to be managed in line with the provisions of the Petroleum Revenue Management Act, Act 815. It is our considered opinion that such a legislation will enhance transparency in the management of mineral revenue for the benefit of the good people of Ghana and generations yet unborn.

I thank you for your kind attention and May God bless us all.