

STATEMENT

BY

WESTERN REGIONAL MINISTER

AT THE

**GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE (GHEITI) DISSEMINATION WORKSHOP**

**3-5TH MARCH 2015
HOTEL DE HILDA
TARKWA**

Mr. Chairman,

District Chief Executives and Coordinating Directors,

Finance Officers,

Companies' Representatives,

The Ghana EITI National Steering Committee Members

Friends from the Media

Invited Ladies and Gentlemen.

Good Morning and a warm welcome to Tarkwa, the mining hub of the Western Region and for the whole country. I deem it a great honour to be given the opportunity to give these few opening remarks at today's event on the dissemination of the 2012/2013 EITI Reports.

As you are all aware, the mining and the oil and gas sectors contribute significantly to the economy of this country in terms of foreign exchange earnings, employment creation and contribution to GDP.

The greatest resource the country therefore has is its mineral wealth however, mining of the mineral resources as an economic activity brings along with it a lot of impacts both positive and negative. The conditions in our mining communities do not measure up to the huge resources that have over the years been extracted by the mining companies from these areas. There is therefore the need for more resources to be provided to the impacted districts and communities in order to manage the impacts.

When mining activity comes to an area it brings along with it a large army of workforce, their dependents and other interested and business-related groups. Sanitation becomes a challenge vis-à-vis education, health, water

and other social amenities. The net effect is that there is pressure on social amenities that the Assemblies would have to provide.

The mining communities continue to suffer from the negative effects of mining and most of these communities happen to be among the deprived communities in the country, lacking tangible infrastructural facilities such as potable water, good health and educational facilities and decent housing, not to mention the poor environmental sanitary conditions.

Unfortunately, the royalty transfers to the MMDAs and the Stools have worked far less than expected or we would have wished. It may have even created its own problems by raising expectations in the local communities that have subsequently not been met. I dare say that the inadequacies of the transfers have led to serious failures to address a variety of local problems.

Instead of providing a steady flow of funding on a year-to-year basis, the payment of the districts' share of the royalties fluctuates dramatically from quarter to quarter and from year to year. This greatly complicates the tasks faced by the MMDAs in planning, budgeting and expenditure management. This is also compounded by late releases of the funds and payments. These various shortcomings greatly undermine the usefulness of mining revenues to the beneficiary MMDAs.

Mr. Chairman, as a country, I believe the time has come for us to take bold and decisive action towards addressing some of these challenges. The recent fiscal reforms in the mining sector was geared towards ensuring that the country derives maximum returns from the mining industry to support Government in meeting the development challenges of the mining communities and the country in general. We are confident these reforms will not be reversed in the face of declining international price of gold.

Mr. Chairman, Ladies and Gentlemen, initiatives like the GHEITI which seeks to provide opportunity for public disclosure of revenues by extractive companies and Government, would go a long way to complement existing structures of good governance and transparency in the country.

We at the sub-national level therefore considers the role of the Ghana Extractive Industries Transparency Initiative as very critical towards ensuring open and transparent management of resources from the extractive sector and would seek to strengthen collaboration with other extractive sector agencies to enhance its operation.

Transparency in the extractive sector will minimize the leakage of resource rent along the extractive industries value chain and ensure that it contributes to sustainable development. Oil revenue transparency improves public accountability. It sheds light on whether a government gets a good deal in exchange for its resources. It increases public pressure to utilize oil revenues properly by revealing how much the national oil company and government receive for the oil, and it deters abuses of authority which undermine state integrity and responsiveness.

Mr. Chairman, we believe making the people to become aware of revenue generated from the activities of extractive industries like mining and oil and gas, would engender citizens participation in the decision making process at the local level and thereby promote local economic development and poverty reduction. I therefore urge you all to take the findings and recommendations of the reports seriously and ensure the implementation of the recommendations.

Ladies and gentlemen, for our extractive resources to benefit the people they must be well integrated into the economy. What has so far eluded us as a nation is our failure to do this. There should be strong backward and forward linkages in the local economy that would allow local entrepreneurs

and industrialists to take advantage of service provision and technology transfer opportunities, as result of the availability of the extractive industry in the country. This also means investment in infrastructure, research and human capital development.

To achieve these high aspirations we need to get back to the fundamentals and rectify some of the initial problems/failures that have continued to plague management of the country's natural and mineral resources.

Mr. Chairman, Distinguished Ladies and Gentlemen the hard work of Ghana EITI will be meaningless and a total waste of national resources if the citizenry do that takes a keen interest in the contents of the reports it produces. GHEITI is here today to share the highlights of their report with us, but it is even better if the people take time to read the full reports. I challenge you all to appraise yourselves with the facts and be empowered to speak from an informed position when these matters are being discussed.

As you all know the 21st century is an era that recognizes the key role of citizen's participation in enhancing good governance and promoting citizen's empowerment. To achieve this however information disclosure will have to be taken seriously by our institutions. For me it is to instill these attributes into our public institutions that institutions like the EITI are beginning to show up in our laws.

Mr. Chairman, Distinguished Ladies and Gentlemen the relevance of information from the reports goes beyond providing citizens information to hold public office holder accountable, it also feeds our need to positively transform public sector through well-defined policy reforms that emanate from practice. We can only improve the institutions and systems by reforming areas that have failed.

Let me conclude by saying that the mines have a finite life span, our local communities must therefore be empowered to use the returns from mining activities to build the economic capacity that can mitigate the loss of livelihood and other benefits. All these require adequate capacity for planning in our various MMDs. But it also calls for an assured revenue stream to finance the extra demands placed upon the communities by the presence of mining.

I wish to commend the Ghana Extractive Industries Transparency Initiative (GHEITI) for organizing this workshop and hope that participants would cooperate with the organizers and the resources persons to ensure an insightful workshop.

On this note, I thank you for the audience.

Thank you.