

REMARKS BY MINISTRY OF LANDS AND NATURAL RESOURCES AT THE
GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (GHEITI)
2012/2013 REPORTS DISSEMINATION WORKSHOP
ANYINAM LODGE, OBUASI, ASHANTI REGION - MARCH 12TH, 2015

Mr. Chairman,

Hon. Metropolitan and District Chief Executives

Coordinating Directors

Finance & Other Directors

Representatives of Mining Companies

Members of the GhEITI

Distinguished Invited Guests

Members of the Media

Ladies and Gentlemen,

Ghana signed on to the Extractive Industries Transparency Initiative (EITI) in 2003 at the instance of the mining sector; indeed, the Ministry responsible for mining. Ghana was therefore the 1st country to have its mining sector covered, because this coincided with the pursuit of our own transparency agenda in the sector; all other countries had EITI coverage for oil and gas. Subsequently, having achieved EITI compliant status, Ghana extended the coverage of the Initiative to Oil and Gas, in 2010.

As the Ministry responsible for mining, we had therefore committed to implementing EITI since its inception in Ghana and participated fully in its activities, because the Ministry subscribes to the EITI's aim of improving transparency and accountability in the management of revenues from natural resources, as a tool to facilitate the use of such revenues to promote sustainable socio-economic development.

The Ministry of Lands and Natural Resources commends the Aggregator as well as all who have worked hard to ensure that the relevant recommendations were made, the recommendations adopted and implemented to improve transparency and accountability in the sector and thereby promote development.

Talk about gold mining in the Ashanti Region; talk about mining in Ghana, you can't leave out Obuasi. The town and its name which literally refers to the wealth from under the rock have been affiliated with the Ashanti mines that started operating in 1897. The mine has contributed its quota to mining in Ghana over the years and, until the recent downturn in its importance due partly to the decline in its fortunes but also the start-up/resurgence of other major mines, the Obuasi mine was the single largest producer of Ghanaian gold. Despite its current challenges, we believe once

the restructuring that is now taking place is done, the mine would continue to have a long and viable life. Forums like we are having here in Obuasi to promote its sustained development, along with the rest of the country, are therefore very important.

Ghana's broad mining sector has had no less a diverse, complex and lengthy history; issues which bring about this complexity include the menu of fiscal elements, national and sub-national flows, diversity of minerals, diverse geology, numerous companies of varying size, small scale mining, even galamsey by both local and foreigners, and also the associated local impacts being often greater than oil and gas, given the relative location of operations.

In recent times, the statistics show that while employing some 32,000 people in the large scale mining sub-sector and over 1,000,000 in small scale mining, the sector has contributed an average of 40% of government revenue collected by the Ghana Revenue Authority and about 17.5% of Ghana's total corporate tax earnings. In 2014, export revenues from the mineral sector, which was a major contributor to Ghana's foreign exchange earnings, amounted to over US\$5 billion.

Questions have been asked about the sufficiency of mining's contribution to the national development effort in general, but also the wellbeing of its host communities, like Obuasi. That is where EITI comes into own. Through verification and publication of payments by companies vis-a-vis government revenues receipts from relevant natural resource sectors which are then subjected to stakeholder validation, the EITI process creates opportunity for a broad range of stakeholders, including community members, some of whom we are meeting today and more so tomorrow, to have access to information and also create the platform for inclusiveness in policy formulation and decision-making that affect them. We would encourage the participation of all in today's discussions and any follow-ups. The resultant enhancement in good governance has been acknowledged to contribute towards optimization of the industry's impact on the long term development agenda and its implementation.

The Ministry of Lands and Natural Resources will continue to support reforms to ensure that extractive sector revenues due government are indeed paid by the operators and government in turn utilizes these transparently and accountably to achieve development in the most efficient and effective manner.

In this respect, the Ministry as a pioneer and ardent supporter of the 10-year history of publication of the EITI Reports, will continue to lend its support. Indeed, the findings and recommendations have informed wide range institutional and policy reforms that have taken place in Ghana's extractive sector and it is our expectation that such improvements will continue.

The Ministry will again urge companies engaged in mining activities, a large number of which have foreign parentage, to be open, fair and transparent; upholding best practices in Ghana just as they do in their home countries.

Finally, as the 2012-2013 new-look EITI Reports with additional features including information on the often elusive beneficial ownerships, among others, are out-dooed here in Obuasi, we trust that civil society and other stakeholders will continue to partner government as we seek to achieve sustainable improvement in the standards of living of our people, catalyzed by an efficiently managed mining sector.

Thank you.