

# **WELCOME ADDRESS**

**BY**

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INITIATIVE (GHEITI)**

**AT THE LAUNCH OF THE 2009 AUDIT REPORT**

**AT**

**COCONUT GROVE REGENCY HOTEL- ACCRA  
26<sup>TH</sup> OCTOBER, 2011**

**Hon. Deputy Minister of Lands and Natural Resources,  
Chief Director and the Chairman of the Ghana EITI,  
Chief Executive Officer, Chamber of Mines,  
Members of the GHEITI NSC,  
Distinguished Ladies and Gentlemen from the Media,**

Good morning and welcome to the launch of the 2009 GHEITI Audit Report. This report marks the 7<sup>th</sup> of Audit reports produced by the Ghana Extractive Industries Transparency Initiative. The other reports were for the periods 2004, 2005, 2006, 2007, and 2008. All these reports and other very useful information are available on the GHEITI website at [www.gheiti.gov.gh](http://www.gheiti.gov.gh).

**Mr. Chairman,** the EITI is a governance tool that seeks to promote the principles of transparency and accountability in the payment and receipts of financial resources from the extractive sector. This is achieved by the regular publication, reconciliation and audit of all material benefits received by government from individual extractive companies in the sector.

So in line with EITI principles all EITI implementing countries are to regularly publish reports on extractive sector receipts and payments. Accordingly, the Ministry of Finance and Economic Planning and the Ghana EITI National Steering Committee through a competitive bidding process appointed an Independent Aggregator, Boas and Associates to collect, review and analyse data from the country's operating mines and revenues to government from the mining companies to ensure that there was transparency in payments made by the mining companies and that payments were made appropriately and on time.

The Consultants also had the responsibility of verifying whether revenues received by government agencies such as the District Assemblies have been

properly accounted for and that beneficiaries have utilized the revenues judiciously.

**Mr. Chairman,** the regular publication of timely, reliable and easily accessible financial information disclosed by governments and companies and subject to third-party verification is at the core of the EITI model of improving natural resources governance. Ghana has so far produced seven EITI reports reconciling the amounts paid to Government by mining companies with the amounts reported as received by Government.

The EITI reports are the main vehicle to provide wider audiences with information about the sector, often absent in the public domain.

**Mr. Chairman,** through the EITI reporting process, the revenues accruing to government from extractive sectors are well documented and publicly disclosed. Knowing how much money is coming into government from different sources is a necessary first step in ensuring that those resources are better managed.

The public disclosure of these figures allows for greater scrutiny of how the revenues are being used and provides an important base for government and public debate on the management of public finances. Additionally, by providing detailed reporting and inviting public participation, government demonstrates its commitment to good governance and builds confidence in public institutions.

The EITI reports also empower civil society and communities to ask the right questions and also to hold government and companies accountable.

The Reports and findings and recommendations from them have resulted in some very key reforms currently taking place in the mining sector. Some of the reform areas the reports have influenced include;

- The drafting of guidelines for the utilization of mining royalties by the District Assemblies,
- The revision of the royalty rates,
- The revision of ground rents,

- The disclosure of disbursement figures from the OASL to Communities among others.

Ghana EITI is very hopeful that many of these activities will significantly enhance the contribution of the sector to national development.

**Distinguished ladies and Gentlemen,** Ghana, like many other resource rich countries is challenged by the capacities of our institutions to regulate and administer the mining sector. We need to I continue to support the institutions to address their weaknesses. We would also like to urge them to fast track the pace at which they implement some of the recommendations from the report.

After today, we expect the media and the public to be abreast with the recommendations in the various reports and follow up with the lead institutions on the progress of work.

Let me conclude Mr. Chairman by saying that the EITI is making a number of direct and indirect contributions to good governance with respect to natural resource revenues. It is establishing an emerging standard for reporting of natural resource revenues by both companies and governments. It is also improving governance by creating a plat form for open discussion about the management of the natural resource sector. It is also providing a model of multistakeholder dialogue on a critical issue of policy.

Thank you all and God Bless Ghana.