

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)  
NATIONAL WORKSHOP. MONDAY, JANUARY 15, 2007, LA  
PALM ROYAL BEACH HOTEL, ACCRA.

Joyce R. Aryee(Ms) CEO Ghana Chamber of Mines

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Mr. Chairman,  
Honourable Ministers of State,  
Members of Parliament,  
Members of the Diplomatic Corps  
Development Partners,  
Delegations from our Sister Countries of Nigeria, Liberia and Sierra Leone,  
Members of the Steering Committee of the Ghana EITI,  
Members of the media,  
Distinguished Ladies & Gentlemen,

It gives me great pleasure to be a part of this workshop on the Extractive Industries Initiative Transparency Initiative (EITI). Mr. Chairman before I proceed, permit me to extend a warm welcome to all participants particularly, our brothers and sisters from Nigeria, Liberia and Sierra Leone. They are visiting us at a momentous time in our nation's history; the dawn of the 50th Anniversary of Ghana's independence.

Mr. Chairman, as we all know Ghana's independence became a beacon of hope to our brothers and sisters in Africa and marked the beginning of the political emancipation of the continent. It is in this regard that we invite our brothers and sisters to join us in our celebrations which climaxes on 6<sup>th</sup> March 2007, the 50<sup>th</sup> anniversary day.

Mr. Chairman, the Extractive Industries Transparency Initiative (EITI) has become a global standard for improving transparency and accountability in the management of oil, gas, and minerals in resource rich countries. And since

Ghana is better endowed with Gold, Manganese, Bauxite and other mineral resources, Ghana's EITI has focused on the mining sector.

The Ghana Chamber of Mines, which is the main minerals industry association in the country, has been at the forefront of the initiative since it was introduced in Ghana in 2003. The Chamber partnered the then Ministry of Mines to organize the first EITI workshop at Elmina in 2003.

The Initiative confirms the importance of good governance and transparency to the mining industry. Mr. Chairman, **Good Governance and Transparency** are among the six core values that the Ghana Chamber of Mines would not compromise in all of its activities. The other values are **Honesty, Good Corporate Citizenship, Commitment and Unity**.

The EITI, both as a process and in terms of expected outputs, feeds directly into the priorities and programs of the Chamber. It would interest you to note that prior to the launch of the initiative, the Ghana Chamber of Mines had begun to publish what its members pay to government, host communities and the general public. The Secretariat, though not independent, served and continues to serve as the Aggregator.

We believe that high quality, easily understood, and publicly available information is one of the easiest ways of preventing corruption and conflicts, particularly between our member companies and their host communities.

In that regard the Chamber has played a pivotal role in the implementation of the EITI in Ghana. We do not only hold membership to the Ghana EITI Steering Committee but also serve as a key resource of the sensitization sub-committee. The Chamber continues to resource the steering committee's nation-wide sensitization programmes. In addition the Chamber has presented papers at various international EITI fora particularly in London in 2004, Paris in 2005 and

Bonn, Gaborone and Oslo in 2006. We have also provided input to the EITI International Advisory Council on the selection of the headquarters for the EITI Secretariat.

Additionally the Chamber's Secretariat facilitated the first audit of its member companies' processes and data which culminated in the widely acknowledged inception report of the EITI Aggregator.

Mr. Chairman we have gone to great length to support the EITI because we believe and share in the objectives of the EITI to promote transparency in the mining industry.

Lack of transparency undermines the confidence of the public in the legitimacy of those who hold the minerals in their trust. Wherever there is corruption, it is always the poor and marginalized who suffer most. It is therefore important to harness transparency in revenue and financial management to hold people in authority to account and help build public trust.

Increased transparency also helps to create the right climate for attracting foreign investment, and encourage an enterprise culture since it reduces conflicts in the industry.

The EITI will make a positive contribution to development as it increases the likelihood that revenues from the mining industry will be used for economic development and poverty reduction. We believe that if resources from the mining industry are judiciously and prudently utilized, it will promote the countries development as envisaged under the country's Growth and Poverty Reduction Strategy (GPRS) II.

Mr. Chairman, though a worthy initiative, by itself, EITI is not an end but rather a means to an end. It is therefore crucial that the elements of the initiative are complemented with the provisions of the Public Procurement Act as well as the

Financial Administration Act particularly at the district level. This will ensure that EITI serves as tool not only to promote transparency but also as a means to promote socio-economic development and reduce poverty at the districts.

Mr. Chairman we reiterate our belief and position that mining should be seen as a catalyst for sustainable national economic development. Therefore mineral revenue should not be seen as the sole value that can be derived from mining.

The Chamber continues to highlight opportunities for local entrepreneurs to integrate into the mining industry. We do this because we are of the view that the optimal benefits of mining will only be realized when all the value across the mining supply chain is harnessed for our people. We therefore challenge local entrepreneurs to take up this opportunity. Mining companies on their part have shown their willingness to support and develop local entrepreneurs to produce inputs to the desired quality.

A highlight of the Chamber's advocacy in the last few years is the request to government to increase the portion of mineral royalties ploughed back to host communities from the current 9% to 30%. We have also been proposing that mineral royalties disbursed to the district assemblies should be put into tangible projects that benefit the entire mining community.

Mr. Chairman, kindly join me in commending Ghana's EITI Steering committee for its foresight in including a template to capture mineral revenue streams to the mining districts; in other words the sub-national level. Since the district assemblies are the agents of development, it is crucial that the EITI mainstreams the district assemblies in the initiative. Furthermore the decision for the Steering Committee to include the utilization of mineral revenues as part of the EITI process underscores the commitment of the Steering Committee to adapt the EITI to satisfy the developmental needs and aspirations of our people.

The decision of the Steering to include the voluntary contributions of mining companies to their host communities in EITI process recognizes the significant role that mining companies play in the socio-economic development of their communities.

The fact that the Board of EITI has now seen the need to include these elements in the EITI speaks volumes about the thought leadership qualities of the steering committee and I once again commend them most highly.

I will however challenge them to expedite the process to ensure that we generate the first full report of the independent aggregator as soon as practicable and proceed to validate the process for Ghana to be fully compliant. This will crystallize the leadership role that Ghana has trailed in the EITI process and indeed in the political emancipation of the continent.

Mr. Chairman I am sure the Steering Committee is more than willing to share its experiences with our sister countries who are at various stages of the EITI implementation process.

In conclusion, I would like to stress that the Ghana Chamber of Mines and its member companies will continue to actively support the EITI in Ghana in close collaboration with all interested parties.

Thank you for your kind attention and May God Bless us All.

J.R. Aryee