

KEYNOTE ADDRESS

BY

**H.E. KWESI AMISSAH-ARTHUR
VICE PRESIDENT OF THE REPUBLIC OF GHANA**

AT

**THE GHANA EITI REGIONAL CONFERENCE
HELD AT LA PALM ROYAL BEACH HOTEL, ACCRA**

27-28 SEPTEMBER, 2012

Mr. Chairman;

Nananom,

Excellences;

Members of the Diplomatic Corps;

President of the national House of Chiefs;

Honourable Ministers of State;

Distinguished Guests from the EITI International Secretariat;

Representatives from EITI implementing countries;

Ladies and Gentlemen.

It is a great honour and privilege for me to address this **Regional Conference on the Extractive Industries Transparency Initiative (EITI)** today, and to be associated with Ghana's commitment to the EITI.

Mr. Chairman, ten years ago, in the city of Johannesburg, South Africa, the world's community of nations gathered, under the auspices of the World Summit on Sustainable Development, to deliberate on the development challenges confronting the world. Given that the event was in Africa, noted for its abundant natural resources amidst extreme poverty, a great deal of the discussions focused on the role of the extractive sector in economic development and poverty reduction in Africa and other resource dependent countries world over.

The prescription from Johannesburg, to the paradox of plenty that has bedeviled many resource dependent developing countries for decades was found in a new global inventiveness – the Extractive Industries Transparency Initiative (EITI).

The EITI to my mind is therefore about good and accountable governance. For resource abundance to translate into good overall economic performance and higher standards of living for the population at large, the

evidence suggest that good governance is important, perhaps more important than in resource scarce economies.

Mr. Chairman, Distinguished Ladies and Gentlemen, recognizing the need for good governance, many of the resource-rich countries present here today have made considerable progress in the quality of their institutions over the past decades. According to World Bank sources, over half of the resource-rich countries in Sub-Saharan Africa have improved their World Bank Worldwide Governance Indicator ratings on rule of law and corruption and about 40 percent have improved the rating on government effectiveness. Moreover, many of our countries have made improvements in all three institutional ratings. But this is clearly insufficient. Serious challenges confront us as resource exporters; especially since the level of institutional quality among our countries remains below the level of industrialised countries. That is to say many of our countries continue to score very low marks on many of the Millennium Development Goals (MDG) indicators, especially on some health and education indicators (e.g., measles immunization and primary school enrollment etc.).

Most of our countries also continue to suffer from weak level of technical capacity. Indeed, it is difficult to implement policy changes to better manage natural resources if we have very weak level of technical capacity. With limited technical capacity and resources, it would not be easy to set up appropriate resource taxation regimes, public financial management systems, and long-term saving instruments such as sovereign wealth funds.

Distinguished Ladies and Gentlemen, in our bid strengthen our institutional capacities and deepen transparency and accountability, we have embraced EITI to compliment many other laudable Government policies and programs. I know some of you have had to travel long hours to be here today. Having taken time off your busy schedules, let us critically examine the issues to find solutions that are culturally, politically and economically suitable to our respective economies.

Many countries have, since the inception of the initiative in 2002, signed on to it, motivated by reasons that are sometimes not necessarily aligned with the objectives of the initiative. For us in Ghana, EITI is not a fanciful exercise designed to enhance our international public image. It is for us, a deeply thought through exercise meant to enhance the development outcomes of natural resource exploitation in this country. To this end, we have, and continue to explore ways of making the exercise respond to the development aspirations of our people.

Mr. Chairman, I am happy to inform you that the Ghana EITI process has been instrumental in some of the major institutional and policy reforms taking place currently in the mining sector. Prominent among these are;

- ‡ Changes in the fiscal regime under which the mining industries operate, and
- ‡ Changes in how royalties are administered and very soon utilized,

I am also pleased to announce that lessons learnt from our several decades of mining metals and the Ghana EITI process served as a useful guide to developing the legal and fiscal frameworks for our recently discovered hydrocarbon resources.

Mr. Chairman, Nananom, Distinguished Ladies and Gentlemen EITI is a very useful tool that has generated immense benefits to countries like Ghana; however, nations must use this excise to resolve the fundamental systemic weakness in our economies. We need to find long term solutions to the problem of our weak institutional capacities and government ineffectiveness. In line with the above, Ghana has already taken measures to strengthen our Public Financial Management systems. We are reforming the national budgeting processes, implementing fiscal decentralization regime, and sanitizing our payroll systems among many others. In effect we are mainstreaming EITI into the public sector and economic management.

In our quest to ensure sustainability of the initiative we are taking steps to back it with legislation. We are committed to go the full hulk in our pursuit

of good democratic governance because good governance is about ensuring the most prudent use of resources that commonly belong to the people. It is also about eliminating waste, corruption, and inefficiencies that thwart our genuine efforts to progress as a people. It is from this perspective that we affirm our commitment to not only provide information and to account to our people but more importantly, provide opportunities for their democratic participation in the decision-making processes of our country.

Mr. Chairman, I will like to commend the Multi-stakeholder Steering Committee for their hard work, dedication and sense of purpose. I wish to specially mention our civil society stakeholders, particularly those groups and individuals organized under the banner of Publish What You Pay (PWYP) Ghana and the Civil Society Platform on Oil and Gas for their unwavering commitment to see Ghana make the best out of its God-given natural resources.

I also wish to commend those mining conglomerates and international oil and gas companies who through their own volition have supported our quest for transparency and accountability in the mineral and now oil and gas sectors. They have by their support to GHEITI processes shown that they are exemplary corporate citizens committed to help this country overcome its development challenges.

Since all of us have accepted to be part of the EITI process, we should all make it a collaborative effort to ensure that total transparency in the industry exists from the day a mining right is granted to the last day that environmental restoration is completed. I am optimistic that when we call on the forest sector stakeholders they will accord to us the same cooperation their colleague in the mining and oil/Gas Industry have.

Thank you all for your kind attention!

God Bless Our Homeland Ghana.