

# **WELCOME STATEMENT**

**BY**

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DEPUTY MINISTER OF FINANCE AND ECONOMIC  
PLANNING**

**AT**

**THE EITI NATIONAL WORKSHOP  
LA PALM ROYAL BEACH HOTEL  
ACCRA, GHANA**

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Mr. Chairman,

H.E The Vice President of the Republic of Ghana, *ALHAJI. MAMAH*  
Excellencies,

Distinguished Guests,

Ladies and Gentlemen

I am deeply honoured to welcome all of you to this National Workshop on Extractive Industries Transparency Initiative (EITI) especially those of you who are visiting Ghana for the first time.

Mr. Chairman, the Government of Ghana was among one of the first governments in the ~~sub-saharan Africa region to accept and commit itself to the~~ principles of EITI. As you may all be aware by now, the EITI concept was launched by the British Prime Minister, Tony Blair in September 2002 at the "World Summit on Sustainable Development" in Johannesburg, South Africa. The initiative was designed to encourage governments, extractive companies, international agencies, NGOs, and others with an interest in the extractive sector to work together to develop a framework to promote transparency of payments and revenues.

It will interest participants to learn that even before Ghana signed up to the EITI Initiative in 2003, it had already embarked upon a number of Public Financial Management Reforms to promote good governance, accountability and transparency. The reforms include among others the promulgation of a new Public Procurement Act, Financial Administration Act and the Internal Audit Agency Act.

These mechanisms of budgetary and fiscal reforms that traverse public expenditure management, procurement, tax administration and other policy

changes are designed to reduce corruption, promote openness, transparency and accountability.

I am therefore proud to state that the full range of transparency initiatives so far implemented by government has deepened its capacity to make sound fiscal and overall macroeconomic policies toward economic growth and development.

It is in this regard that we consider the EITI as supplementary to our existing reforms of fiscal transparency. Additionally, government also considers the EITI concept as an opportunity to create the conditions for better management of extractive industry revenues, which will contribute to the alleviation of poverty and promote sustainable development.

Distinguished Guests, the centrality of the extractive sector, especially the mining industry within the economy of Ghana, cannot be over emphasized. It remains one of the country's most important foreign exchange earners and contributes about 33% of total exports, 11% of Government revenue, 5% of GDP and 7% of corporate tax earnings.

The main thrust of the Ghana Extractive Industries Transparency Initiative (GEITI) therefore, is to develop and implement a revenue disclosure, and an oversight and publication mechanism to ensure that Ghanaians get all the information on their Extractive Industry revenue and public expenditure, thereby enabling them to hold the government and others to account.

instrument

interested parties

In Ghana, EITI is operated on the platform of a multistakeholder National Steering Committee made up of a 16-member governing body which comprises representatives from Government Agencies, Civil Society Groups and the Extractive Industry Companies represented by the Ghana Chamber of Mines.

Mr. Chairman, since its inception, the Ghana Extractive Transparency Initiative has made some good strides towards fulfilling its objectives.

Some of the achievements of the initiative in Ghana include a successful nation-wide sensitization programme which was undertaken in the major mining communities of Tarkwa, Koforidua, Obuasi, Kumasi and Sunyani. The participants included District Chief Executives, Presiding Members of District/Municipal Assemblies, Chiefs, Civil Society Groups as well as the Revenue Agencies.

Another laudable milestone of the Ghana EITI is that government through a competitive bidding process has contracted a Ghanaian Audit Firm, Messrs BOAS & ASSOCIATES, to act as an Independent Aggregator to conduct both financial and process audit of the extractive industry in Ghana.

An inception report was presented by the Aggregator to the National Steering Committee in October, 2006 and is available at the GEITI website. Some copies of this report are also available here at this workshop for which participants can secure copies for themselves.

Government will work tirelessly to respond to all the issues raised by the Auditors, and will endeavour to strengthen the institutional weaknesses which would be identified. Government shall insist on prompt and accurate record keeping by all Government Agencies in line with international best practices.→

Mr Chairman, In this regard, I am pleased to announce that following the preliminary results of the work of the Aggregator - Government will renew its efforts towards the appointment of the Gold Auditing Firm, to undertake further auditing of the Gold Industry

The Ghana EITI secretariat will publish all information and data from the Audits, and make it available to all the District Assemblies, Traditional Authorities, including rural communities and civil society groups and other stakeholders. This, we hope, will help change the perception on the Extractive Industry and build ownership among all stakeholders.

experiment

Mr. Chairman, we think that the democratic debate in our country will be further enhanced and made more constructive through accurate information on the key sources of government revenues and expenditures as part of the larger debate on fiscal policy and spending priorities.

Revenue transparency will act to increase accountability at all levels of government i.e central, regional and district levels, thereby reducing opportunities for corruption and the potential for waste of public funds.

I want to indicate with all humility that Ghana's implementation of the initiative has gone beyond the international guidelines of the concept. The National Steering Committee has recognized that if EITI is to capture all material payments to the country, it needs to include not only payments made to the central government but also payments made to regions and districts or local governments. It is in this regard that the National Steering Committee has developed District level reporting templates for data collection at the sub-regional level which goes beyond the basic framework of the global EITI. This will capture the receipts and utilization of the resources sent to the mining communities.

For us, in Ghana it is important that everyone in the country understands how much money is flowing, and to where. Therefore the information provided by initiatives such as EITI should include details of these sub-national payments and revenues.

Distinguished ladies and gentlemen, while Ghana has still some way to go in our journey to a transparent extractive industry, a lot of progress has so far been made over the last few months because of the collective resolve of government

*other stakeholders*

and development partners, to ensure that the initiative is fully implemented successfully.

It is hoped that a transparent Extractive Industry in Ghana will bring about an improved investment climate by providing a clear signal to investors and the international community, especially financial institutions that the Government of Ghana is committed to <sup>*these reforms*</sup> a greater transparency. It is also hoped that EITI will help in strengthening accountability and good governance, as well as promote greater economic and political stability. This, in turn, will contribute to the prevention of conflict in mining communities.

Mr. Chairman, Ladies and Gentlemen, I ~~end by wishing~~ you very fruitful deliberations.

**I thank you for your attention!**