

WELCOME ADDRESS

BY

**NANA JUABEN-BOATEN SIRIBOE**

CHIEF DIRECTOR

MINISTRY OF FINANCE AND ECONOMIC PLANNING  
(MOFEP)

AT

THE **GHANA EXTRACTIVE INDUSTRIES  
TRANSPARENCY INITIATIVE** (GHEITI)

PRE-VALIDATION WORKSHOP

FOREST HOTEL, DODOWA

18<sup>TH</sup> APRIL 2009

Mr. Chairman,

Hon. Ministers,

EITI Counterparts from abroad,

Members of the NSC,

Friends from Civil Society, Private sector and the Press,

Observers,

Distinguished Ladies and Gentlemen,

Good morning and a very warm welcome to you all. It is an honor to welcome you to today's event. This workshop marks a very important stage in the implementation of Ghana's EITI activities. It signifies the commencement of a series of very critical activities which will soon be undertaken to prepare Ghana for a final Validation in 2010.

As some of you may already be aware, Ghana is among a group of countries that must undergo validation by deadline **9 March 2010** or face the possibility of being **delisted** from the EITI process. In line with this, it was agreed at the EITI National Steering Committee meeting to bring stakeholders together to officially inform them of Government's intentions to open up the Ghana EITI process for Validation and to dialogue with you on the way forward.

For me, as Chairman of the GHEITI National Steering Committee (NSC) any avenue to dialogue with stakeholders on the future of this very useful initiative is always welcomed. So far, our stakeholders have contributed their quotas in ensuring that the objectives of this initiative are on track.

Indeed Ghana has been implementing the EITI since 2003 and has made a remarkable progress. We have set up a multistakeholder Committee which is functioning well, established a EITI Secretariat at the Ministry of Finance and Economic Planning, developed a comprehensive and costed work plan, engaged an EITI Aggregator through a competitive bidding process, produced three EITI Reports and developed an EITI website for information dissemination

Distinguished Ladies and Gentlemen, over the last six years members of the EITI National Steering Committee have travelled far and wide to dialogue with Traditional Rulers, District Assemblies, Members of Parliament, and Heads of Government Institutions etc on the subject of EITI in Ghana. We have also worked closely with Civil Society through their representative on the NSC and some Development Partners. All these groups of people have been very supportive of the process, and I wish, on behalf of all members of the NSC to express our sincere appreciation.

Currently, we are following up on the recommendations of our earlier three reports. Recommendations from the 2004/2005 Aggregator's reports which were produced and published as part of the process has been instrumental in;

- I. The Recent publication of government releases of royalties to beneficiaries District Assemblies by the Office of the Administration of Stool Lands (OASL).
- II. The need to develop guidelines for the utilization of royalties by the District Assemblies which is currently being lead by the Minerals Commission .
- III. The establishment of a Revenue Task Force by the Mineral Commission to promote effective inter-sectoral collaboration by the revenue agencies to ensure standardization and improve accuracy in assessment of taxes and other fiscal obligations.

These are policy reforms which are taking place in key Government Agencies triggered by our EITI reports and other activities.

We will ensure that outstanding recommendations such as the legislation of GHEITI, length of stay for CEPS official among others are fully implemented.

Ladies and Gentlemen the progress so far made is impressive but yet there is more to be done.

I have been informed that the validation will provide an independent assessment of Ghana's progress I just reported on and identify measures needed to strengthen the EITI process. As we will soon learn from our facilitators the validation process is also expected to measure progress in implementation and

determine whether a country is compliant or not with the EITI principles and criteria.

In the past many of you have had to contribute one form of data or the other to support the production of the 2004/2005 aggregators reports. It is therefore crucial that as we prepare to open the EITI process up for Validation we meet you again to among other things:

- I. Collectively deliberate on our respective roles and responsibilities in preparing the Ghana EITI for validation,
- II. objectively assess our chances in 2010 and together identify gray areas in the process that may require immediate attention, and finally
- III. create an opportunity for us to agree or disagree on how Ghana EITI will be rated on the various validation criteria based on work done so far.

I will like to use this opportunity to refer stakeholders who require additional information on the reports or other GHEITI activities in Ghana to visit our website on **[gheiti.gov.gh](http://gheiti.gov.gh)**.

I would also like to use this platform to thank you all for the support and commitment to the process thus far.

I am hopeful that we will be successful come 2010 when Ghana will undergo validation and we can all meet again and celebrate our success together.

Thank you all and God Bless you.

# **OPENING STATEMENT**

BY

**Dr. Kwabena Duffuor**

HON. MINISTER

MINISTRY OF FINANCE AND ECONOMIC PLANNING (MOFEP)

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**Mr. Chairman;**

**Members of the Media;**

**Ladies and Gentlemen**

Thank you for the opportunity to open this workshop on the pre-validation of the Ghana Extractive Industries Transparency Initiative (GHEITI).

Mr. Chairman, as a Government, we have promised to ensure a transparent and accountable system of governance. This is in line with the objectives of the Extractive Industries Transparency Initiative (EITI). We believe that the EITI is a laudable concept which when implemented to the letter will have enormous potential not only for improving the development outcomes from the management and utilization of revenues from the extractive sector. It will also help in erasing the mistrust and tensions that often characterize the relationship among the key stakeholders in the extractive sector.

As a nation heavily dependent on non-renewable natural resources, it is incumbent on us all to ensure the prudent use of our nation's natural resources.

Distinguished ladies and gentlemen, the centrality of the extractive sector, especially, the mining industry within the economy of Ghana, is very critical. It remains one of the country's most important foreign exchange earners and is estimated to contribute about 33% of total exports, 11% of Government revenue, 5% of GDP and 7% of corporate tax earnings.

However, we are all not happy about the inability of mining companies to increase the quantum of royalties paid to Ghanaians even though the international price of Gold and other metals have increased tremendously over the past three years.

I wish to assure you that we are working on these concerns and they will be fully addressed through the new Mining Regulations being finalized.

In light of the ongoing global financial crises, we wish to entreat the mining companies to support the economy of Ghana by increasing the percentage of foreign exchange earnings retained in the country

Mr. Chairman it is the aim of Government to ensure that extractive sector revenues are utilized in the most efficient and effective manner with accountability and transparency being the guiding principles. It is only in this way, that we will be able to escape the spectre of our resources becoming more of a curse than a blessing to us.

It is common knowledge that, in many developing countries, especially, in our part of the world, there is a considerable rivalry among various interest groups for the control of their country's natural resources and the revenue they generate. At the heart of these conflicts are often the issues of accountability and transparency in the management and utilization of extractive sector benefits.

We in Ghana have learnt a lot of lessons from the natural resource-related conflicts that have plagued a lot of the countries on our continent and we are guided by this to ensure that wealth from our natural resources are equitably distributed for the benefit of all, but, more especially, for those immediately impacted by extractive sector activities.

For us a more balanced approach for equitable distribution of a nation's wealth is to subject the development of such resources to better governance norms and this is what the Extractive Industries Transparency Initiative seeks to achieve.

We need to place emphasis on ensuring that revenues are properly accounted for and that they are directed towards programmes that improve the quality and delivery of public services. We believe that one of the key ways to doing this is the disclosure of all revenues, including royalties, paid by the companies and those received by government. By this, the citizenry can make their own informed judgments about the amounts and sources of revenues accruing from the extractive sector and, therefore, demand their political leaders to account for the use of the funds.

With the discovery of substantial amount of crude oil off the shores of country Ghana it has become a challenge for us to ensure that Ghana does not repeat the mistakes of many oil rich developing countries.

Mr. Chairman, we have been following with keen interest the implementation of EITI in Ghana and the strides so far made by the initiative in the country. I am informed that Ghana is the first country to implement EITI in the Mining sector and the first country to have extended the EITI reporting requirements to the sub-national level. The country has produced three reports reconciling the amounts paid to Government by mining companies with the amounts reported as received by Government. This has resulted in increased transparency in the country's minerals revenue flows. This I think is a major achievement.

However, challenges still remain. There is a critical need to build capacities for public financial management at the sub-national level in order to achieve the required transparency. Capacities are also needed to deal with the other emerging issues in the extractive sector especially with the plan by Ghana EITI to extend EITI into oil, forestry and fishery sectors. Donor support must be flexible enough to meet the country needs as far as EITI is concerned.

Let me conclude by saying that the validation we are now preparing for, will not only focus narrowly on EITI criteria and principles but on other good governance measures which this country has already implemented. [which the EITI has complemented].

Thank you and I wish a successful workshop.