

WELCOME ADDRESS

BY

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WESTERN REGIONAL MINISTER

AT

THE GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE (GHEITI) WORKSHOP

AXIM BEACH HOTEL
AXIM

5TH SEPTEMBER, 2013

MR. CHAIRMAN,

NANANOM,

HON. METROPOLITAN/MUNICIPAL/DISTRICT CHIEF EXECUTIVES,

MEMBERS OF THE GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE NATIONAL STEERING COMMITTEE,

DISTINGUISHED INVITED GUESTS,

FRIENDS FROM THE MEDIA,

LADIES AND GENTLEMEN,

Good Morning and a warm welcome to the Western Region once again, specifically, Axim. I had the honor of addressing this dissemination of the 2010/2011 EITI audit and reconciliation Reports in Takoradi a month ago when it was organized for District Chief Executives and Finance Officers.

Mr. Chairman, the reports the Ghana EITI is about to share with us is an unequivocal assurance that Ghana was setting itself on the path to make every ounce of gold and every drop of oil count for every life in Ghana. Indeed, we are guided by the recognition that the wider benefits of natural resource extraction cannot be achieved without good governance of the sector. Without transparency, there cannot be accountable government and efforts to ensure that returns from our natural resources are well spent are likely to fail, thereby deepening poverty, instability and social conflicts.

Ladies and Gentlemen, the extractive sector contributes significantly to the economy of this country in terms of foreign exchange earnings, employment creation and contribution to GDP.

The Western Region in particular is endowed with several mineral deposits and other natural resources. As such, issues pertaining to mining and management of returns accruing from the industry are therefore matters of great interest to the people of the region. It is therefore a welcome development that the second dissemination workshop is taking place in the

region to essentially provide opportunity for the people to also participate in the discussion of the EITI reports.

However, Mr. Chairman our economies, irrespective of the mineral resources we are endowed with are often the poorest and most unstable in the world. Many factors account for this state of affairs. Prominent amongst them is our inability to sustain the principles of good governance at various levels. The EITI is expected to address this challenge by promoting and improving transparency and accountability in countries like ours.

As we gradually become a major oil and gas producing country, the demand for greater information and accountability on the use of the revenues from it will increase, and the case for revenue transparency in the extractive sector will be stronger than ever before. However, transparency alone will not guarantee sound management of extractive resources. The challenges we face as country are immense, but the EITI is a good place to start, focusing on our extractive sector revenues could help a long way in transforming our country.

Ladies and Gentlemen, the issues of mismanagement of oil, gas and mineral revenues can have enormous costs for citizens in natural resource rich countries like ours if citizens do not take a keen interest in the sectors development. It is for this reason that Government spends scarce resource to periodically share information with all the relevant stakeholders. Information shared will not result in the desired developmental impact if citizens do not hold office holders accountable.

It worthy to note that natural revenues are special funds, and they are particularly troublesome to manage, we must treat them with seriousness, especially when the general citizenry are clearly demanding accountability.

Mr. Chairman, the recent fiscal reforms in the mining sector was geared towards ensuring that the country derives maximum returns from the mining industry to support Government in meeting the development challenges of the mining communities and the country in general.

Therefore transparency in the extractive sector is needed to minimize, if not to completely eliminate the leakage of resource rent along the extractive industries value chain and ensure that it contributes to sustainable development.

Mr. Chairman, Ladies and Gentlemen, initiatives like the GHEITI which seeks to provide opportunity for public disclosure of revenues by extractive companies and Government, would go a long way to complement existing structures of good governance and transparency in the country.

Government therefore considers the role of the Ghana Extractive Industries Transparency Initiative as very critical towards ensuring open and transparent management of resources from the extractive sector and would seek to strengthen collaboration with other extractive sector agencies to enhance its operation.

Mr. Chairman, we believe making the people to become aware of revenue generated from the activities of extractive industries like mining and oil and gas, would engender citizens participation in the decision making process at the local level and thereby promote local economic development and poverty reduction. I therefore urge you all to take the findings and recommendations of the reports seriously and ensure the implementation of the recommendations.

As Government rolls-out fiscal decentralization, it is important for all stakeholders to support the Districts Assemblies to build relevant capacities and develop robust public financial management systems.

Mr. Chairman, Ladies and Gentlemen, the capacity to translate central government disbursements, including portions of mining royalties into consistent development at the local community level is weak and at best work in progress.

It is regrettable that recent general improvements in central government budget management have not filtered down adequately to the district level to resolve systemic public financial management problems.

I will therefore entreat Municipal and District Assemblies receiving additional resources as a result of natural resource found in their areas to put in place credible systems to ensure prudent use of such resources.

I know from the trend of these reports that some Municipal and District Assemblies are however, reforming how they utilize their share of royalties, but for me I need to see a lot more Municipal and District Assemblies get it right.

Let me conclude by saying that the natural resources are exhaustible, in other words they have a finite life span, our local communities must therefore be empowered to use the returns from mining activities to build the economic capacity that can mitigate the loss of livelihood and other benefits. All these require adequate capacity for planning in our various District Assemblies. But it also calls for an assured revenue stream to finance the extra demands placed upon the communities by the presence of natural resources.

I wish to commend the Ghana Extractive Industries Transparency Initiative (GHEITI) for organizing this workshop and hope that participants would co-operate with the organizers and the resources persons to ensure an insightful workshop.

On this note, I thank you for the audience.

Thank you.