



KEYNOTE ADDRESS

BY

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AT THE

DISSEMINATION OF 2010/2011 GHANA EXTRACTIVE
INDUSTRIES TRANSPARENCY INITIATIVE (GHEITI)
AUDIT REPORT

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AXIM BEACH HOTEL
AXIM

Mr. Chairman,

District Chief Executives and their Finance Officers,

Friends from the Media

Distinguished Ladies and Gentlemen

It is indeed a great pleasure for me to deliver the keynote address at today's workshop on the dissemination of the 2010/2011 Ghana EITI reports reconciling payments and receipts from the mining and oil and gas sectors.

Mr. Chairman, Ghana is among many developing countries that depend heavily on the extractive sector. The discovery of oil and gas adds to this phenomenon and raises expectations among Ghanaians and the international community at large. I must however say that the expectations are perhaps too high among our citizens. The efforts to lower these expectations can only be credible if we enhance transparency and accountability by disclosing and publishing information not only on what Government receives from the extractive industries but also what the companies are paying to government.

Mr. Chairman, Ladies and Gentlemen, it is for these and other reasons that the Government signed onto the Extractive Industries Transparency Initiative in 2003. The EITI is a governance tool for improving transparency and accountability in respect of payments by companies in the extractive sector to governments. It seeks to improve resource management in natural resource rich countries for current and future generations. In essence, it is also a tool for wealth creation in the search for a development strategy that should improve living standard for all.

While extractive resources such as minerals and oil and gas have provided immense growth for some countries, the reverse has been true for others. The latter is mainly due to the absence of effective governance benchmarks, weak institutional capacity (including management), and the lack of transparency. The outcome including rent seeking and corruption, clearly retards progress and perpetuates poverty.

As a country we are challenged by the demands from our citizens to ensure that the exploitation of our natural resources translates into decent schools, housing, water, electricity and health care amenities, and for me this is a fair request.

Mr. Chairman, Government is therefore working assiduously to ensure that the enhanced revenues from our natural resources are prudently managed and utilized for the benefit of our people, especially those immediately and negatively impacted by the activities of extractive sector companies. We expect the District Assemblies in the mining areas also to demonstrate fiscal accountability and transparency in all expenditure decisions particularly those relating to the use of mineral royalties. Communities should be able to hold District Assemblies to account for the services they provide. To achieve this, people need information about what decisions Assemblies are making and how public money is being spent. The EITI reports we are about to discuss provide these information.

I believe that the EITI is serving as the catalyst that will help stakeholders collectively put in place reforms that work not only for Government but also for the private sector. GHEITI through its independent reports has set the pace for government's decision to carry out massive reforms in the extractive industry, hence ensuring that the tenets of transparency and accountability in the industry are protected and upheld.

Indeed we are here this morning to share with you the findings and recommendations of the 2010/2011 EITI reports. These reports have been

produced in order to make revenue information on the extractive sector available to the general public.

Mr. Chairman, the Reports have made some critical findings and recommendations. They point to various weaknesses within the extractive sector revenue institutions. They therefore provide a solid basis for probing further existing institutional weaknesses and the urgent need to strengthen them. It is in this regards that I will entreat all MDAs, companies and Districts Assemblies affected by findings/recommendations herein to ensure the necessary corrective measures are put in place as soon as practicable. We on our part will offer the requisite support and commitment required to make our institutions more efficient.

The EITI we all know was originally designed with respect to payments and receipts only; it is the view of many stakeholders that this focus appears to be too narrow in ensuring that the management of natural resources is dealt with comprehensively. Whilst Ghana expanded its scope of EITI implementation by extending it to the sub-national level on revenue distribution and expenditures, it is also equally important to track how the resource wealth is generated by the extractive companies. In other words establishing bench marking cost for extractive sector operations is paramount.

Let me conclude by saying that revenue transparency, the core remit of EITI can only be achieved with the cooperation of companies, host governments, home governments, and civil society. A vital approach to successful EITI would lie in strengthening the accountability of decision makers – of host governments and companies to citizens; and of companies to investors. In all these, the role of civil society is critical; it needs to closely monitor the process and participate constructively, with governments and companies in eradicating poverty and accomplishing sustainable development.

Government will continue to support the Ghana EITI process to provide regular information on all material revenues received by governments from the extractives sector (Mining, Oil/Gas). We will also ensure that such information is made available to a wide audience in a publicly accessible, comprehensive and comprehensible manner.

I wish you fruitful deliberations.

Thank you.