

OPENING REMARKS

BY

**THE ASHANTI REGIONAL MINISTER,
HON. ERIC OPOKU**

AT

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

**ANYIMAM LODGE
OBUASI**

12TH MARCH, 2015

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 Obuasi, the oldest mining town of the country. I deem it a great honour to provide some opening remarks at today's workshop on the dissemination of the 2012/2013 EITI Reports. Today's event is yet another platform provided by the Ghana EITI to make vital extractive sector revenue information available to the general public.

It is our utmost desire that these reports will help the evaluate extractive sector management systems and influence policy making.

Ladies and Gentlemen, the Ashanti Region as we all know, is endowed with several mineral deposits and other natural resources. Therefore, issues pertaining to mining and management of returns accruing from the industry are therefore matters of great interest to Nananom and the people of the region. It is therefore a welcome development that this workshop is taking place in the region to essentially provide opportunity for the people to also participate in the discussion of the EITI reports.

The mining sector of the country over the years have generated value by providing revenues to support the national budget, provided means of employment for both skilled and un-skilled people in the country. It has, in the name of Corporate Social Responsibility, provided some amenities to

rural communities where the mining activities take place and where the human capital for the sector resides.

It is therefore very important that all who live directly or indirectly, wholly or partially on the benefits of this sector must on a continuing basis look for ways by which we can make the most out of this important God-given assets not only for one generation but for as long as possible.

However, the sector has also brought in its wake some rather disturbing ill-effects some of which are;

- Tensions between the operators and the ordinary people in the local communities on account of the latter losing their land in exchange for a one-time compensation payment which does not enable them to resettle in alternative livelihood engagements and therefore slid into growing poverty in spite of the affluence around them.
- Tensions between community members and their chiefs or leaders who often are accused of squandering royal payments meant for the development of their communities.
- Tensions between community members and their advocates and the mining operators for polluting their source of drinking water with mine chemicals, destroy their houses out of vibrations from surface and underground blasts and even destroy their crops with acid rain caused by mining methods employed.
- Tensions between illegal small scale miners forcefully taking over mining concessions to ply their galamsey trade without regard to rights, environmental degradation and dangers to human life and property often at the peril of their own lives. This is a challenge that can benefit from an appropriate re-structuring of relations between large and medium scale mining operators and now their illegal informal sector operators, galamseys, by default.

- Introduction of despair and emptiness into communities after the commercial life of the mining operation has been exhausted with no alternative livelihood opportunities for the people. Visits to abandoned mining towns will bear better testimony to this ugly phenomenon than I can possibly describe. A reversal, through policy, is a necessity.

- Tensions between the local rich and the poor as the latter lose vital privileges to the former in the unfair competition. Some have lost rented premises while others have even lost wives to richer men empowered by mineral wealth.

In addition to the local tensions some of which have been recounted above there are also some tensions that occur at the very top between Central Government and Corporate Headquarters of Mining Multinational.

Mr. Chairman, let me say that the expectations from the extractive sector stakeholders are real and must be managed transparently. I would admit that Government has a critical role to play in terms of formulating policies, legislations and guidelines to regulate the industry. However, Government cannot do this in isolation. There needs to be active collaboration among stakeholders to enable them accord the process their required support, constructive criticism and proposals to ensure that the goal of sustainable development is not only achieved, but seen to be achieved.

Ladies and Gentlemen, the comparative advantage that Ghana has in terms of favourable geological potential for minerals, stable political environment as well as a relatively well developed infrastructure could be transformed into a real competitive advantage that would ensure that Ghana derives the maximum benefit from its mineral resources. This should be Ghana's agenda for sustainable mineral development.

Mr. Chairman, Ladies and Gentlemen, though the EITI may not have the answers to the all challenges I enumerated above, it has provided the platform for the discussion of most the issues I just mentioned.

We at the sub-national level 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.

Ladies and gentlemen, the importance of the EITI reporting cannot therefore be overemphasized. The EITI reports we have been informed are expected to form the basis for discussions on the appropriate use of the revenues from our natural resources for the benefit of all Ghanaians.

We at the sub-national level of government very much appreciate the EITI reporting on the subnational financial flows. This in my view will ensure that communities impacted by mining activities receive the correct amounts disbursed by Government through the office of the Administrator of Stool Lands. By disclosing intergovernmental revenue flows we can enhance mutual trust between local communities and the central government.

Mr. Chairman, we are all aware that the earlier reports unearthed several challenges in the management of our mining sector. These include the low royalty rate and the overall fiscal payments mining companies make to the country. The reports also brought to the fore issues of adequacy and timeliness of current subnational distribution of royalties and the need to enhance the capacity of government agencies at the subnational level and deepen the collaboration between state institutions that oversee the country's extractive sector.

The findings from the earlier EITI reports also indicated that District Assemblies suffer from piece meal releases of funds or transfers in installments from the regional offices of the Administrator of Stool Lands which make it almost impossible for the Assemblies to anticipate the amounts they would receive and to plan their budgets accordingly. This I think is a major challenge for all of us especially the Office of the Administrator of Stool Lands to deal with as these findings continue to recur year after year.

With these challenges, **Mr. Chairman**, I would recommend that one of the key outcomes of this workshop should be to jointly agree on an implementable Action Plan with realistic timelines for the implementation of the recommendations of the 2012/2013 EITI Reports. District Assemblies that are directly affected by the findings and recommendations should without delay take the responsibility of following up on the actions and implementing those that relate to them and report on them to the Ghana EITI Secretariat at Ministry of Finance within the timelines this workshop will agreed on jointly.

I will 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.

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.

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. I will therefore take a personal interest to pay periodic visits to Assemblies under my region to monitor how these resources are being utilized.

Ladies and gentlemen, our natural resources should be the bedrock for propelling our country into accelerated broad-based development, spanning the national to the local levels.

Nonetheless, this is a far cry from what the evidence shows. Rather than mining catalyzing broad based development through realization of the linkage opportunities: backward, forward and lateral, there seems to be only slow progress in this direction.

Let me conclude by commending 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.