



STATEMENT

BY

NORTHERN REGIONAL MINISTER

AT THE

**GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE (GHEITI) SENSITIZATION AND
DISSEMINATION WORKSHOP**

25-26TH JUNE 2014
GARIBA LODGE
TAMALE

Mr. Chairman,

President of the Northern Regional House of Chiefs

Traditional Authorities

District Chief Executives and District Finance Officers,

Representatives of Civil Society Organisations

Friends from the Media

Invited Ladies and Gentlemen.

Good morning and welcome to today's Ghana Extractive Industries Transparency Initiative (GHEITI) sensitization and dissemination workshop. I have been informed that this is the second time this event is taking place in the Northern Region. The first one took place in October, last year 2013 and today's event is a follow-up to that. Indeed, we have been following the work of the Ghana EITI with keen interest and we look forward to hosting more of these activities in the future.

Today's event is important because the new 'mining frontiers' in Ghana are located in the northern part of this country specifically, Upper West Region (Wa and surrounding areas), Northern Region (Bole and surrounding areas), North East Bolgantanga and Brong-ahafo Region (Kenyasi and surrounding areas). Exploration works show that these areas are rich in deep veins of gold ore suitable for large scale mining as well as near-surface and alluvial gold deposits suitable for small scale extraction.

Mr. Chairman, given the strategic importance of natural resources especially minerals and oil and gas to the economy of Ghana, and given the urgent need for a more transparent and prudent management of revenues from these strategic sectors, it is appropriate to make our natural resources revenue data widely available, to empower the general public to hold both companies and Government accountable and I think, that is what the mandate of the Ghana EITI is.

Distinguished Ladies and Gentlemen, the EITI is propelled by the faith that extractive resources can indeed promote growth; enhance poverty reduction and drive sustainable development. Ghana by signing on to the EITI has heeded the call that transparent and accountable management of extractive resources can make the difference.

But for our extractive resources to benefit the people they must be well integrated into the economy. What has so far eluded us as a nation is our failure to do this. There should be strong backward and forward linkages in the local economy that would allow local entrepreneurs and industrialists to take advantage of service provision and technology transfer opportunities, as result of the availability of the extractive industry in the country. This also means investment in infrastructure, research and human capital development.

To achieve these high aspirations we need to get back to the fundamentals and rectify some of the initial problems/failures that have continued to plague management of the country's natural and mineral resources. At the

fore of this endeavor is the capacity of government to get the best deals for the country during contract negotiations. We are also capacity deficient in other critical areas of the industry such as auditing, monitoring, regulation and in improving the resource exploitation regime.

Mr. Chairman, the international processes and initiatives such as the Kimberly Processes for blood diamonds and the EITI for other minerals though have their own weaknesses have largely contributed to improving transparency and accountability especially from the production side while the Dodd-Frank Wall Street, USA Reform and the EU Transparency Law and other similar Acts have also created avenues for fair play within international circles.

We are therefore happy that the institution of the EITI exists in our country today and the lessons the EITI presents to us have become a useful guide to how best to manage our recently discovered hydrocarbon resources.

Ladies and Gentlemen, the discovery of oil and gas in commercial quantities brought to the fore some challenges. Government over the past few years have confronted the challenges head on to ensure that the oil revenues benefit all Ghanaians and have put in place the necessary measures to ensure the efficient and transparent management of the oil revenues.

In the spirit of the principles and criteria of the EITI, Government has provided for public disclosures of petroleum production figures and revenues in the Petroleum Revenue Management Act 815. The Act provides clearly defined guidelines for managing revenues from the upstream sector. It also commits the bulk of the oil revenues to a shared growth fund to finance investments in human resource development and other productive infrastructure such as education, health and agriculture.

Government is also making the necessary efforts to ensure that the legal small scale mining sector, with its positive impacts on local economies and jobs, moves onto a sustainable footing.

On this note let me commend the efforts Ghana EITI is making to bring on board the EITI some of the small scale mining companies. We will support this effort to ensure that all revenue generating mining companies are captured by the EITI reporting process.

We strongly believe that for EITI to be effective, key stakeholders, including civil society, Private Sector and selected MDAs should be able to discuss, evaluate and interpret the reports. These discussions will signal our willingness to be responsible and accountable for extractive sector revenues. We are convinced that it is only through creating awareness among relevant stakeholders that maximum benefit will be derived from these publications.

I wish you a fruitful deliberations.

Thank you.