

It is a great pleasure for me to make this few opening remarks at this important workshop on the implementation of the Guidelines for the utilization of the Minerals Royalties that government sends back to districts and communities impacted by mining.

Let me start by underscoring the fundamental objective of government's fiscal decentralization policy which is being implemented by the Ministry of Finance. The fundamental objective of our fiscal decentralization policy is to guarantee that the transfer of financial resources from central government to Metropolitan, Municipal and District Assemblies and the mobilisation of domestic revenue by local government authorities are accompanied by sufficient autonomy to allocate these resources.

We are however not oblivious to enormous challenges faced by our MMDAs in terms of limited capacity and inadequate skills in financial management, expenditure monitoring and budgeting. This situation is exacerbated by inadequate supervision and weak oversight functions resulting in weak accountability and transparency of the MMDAs. As a result 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 hoped that the recent general improvements in the central government budget management through the implementation of the Ghana Integrated Financial Management Information System (GIFMIS) will filter down adequately to the district level to resolve some of these problems. Government is very much committed to the fiscal decentralization process.

Mr. Chairman, whatever the case may be, we expect MMDAs to demonstrate fiscal accountability and transparency in all revenue mobilization and expenditure decisions they make. Citizens at the local level should be able to hold District Assemblies to account for the services they provide. To do this, people need information about what decisions Assemblies are taking and how public money is being spent. It is therefore important that information on Assembly revenues and expenditures are disseminated to all citizens to increase citizens' access to information.

I therefore wish to commend the work of the Ghana EITI for tracking the mineral revenues going to Metropolitan, Municipal and District Assemblies and how they are utilized thereby empowering the citizenry to demand accountability.

Distinguished Ladies and Gentlemen, for more than two decades, mining has remained a very significant sector of Ghana's economy. The sector contributes 6 percent to Gross Domestic Product (GDP), 17.5 percent of total corporate tax earnings and 26.7 percent of total government revenues. The mining sector of the country have therefore generated value by providing revenues to support the national budget, amenities to rural and provided means of employment for both skilled and un-skilled people in the country.

However, there are also questions being raised as far as the revenues from the sector are concerned, notable among them are how much should be saved and how much should be invested, and in what? How do we to achieve fairness in the distribution mineral revenues? How should the revenue be shared? – revenue distribution between mining companies as investors, the government acting for the people of the country who are the owners of the resources through levies and taxes, the mine workers as partners to the investors in production, the communities as the direct beneficiaries of the land which contains the minerals and bear the blunt of the mining activities through royalties ? In other words how do we ensure that revenue from mining is distributed equitably and in a way that balances and manages conflicts and concerns both at local and national levels? I do not wish to provide answers to these questions at this forum.

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