

It is my profound pleasure to participate in the launch of the 2014 Ghana Extractive Industries Transparency Initiative (GHEITI) Reconciliation Reports for Mining and Oil/Gas. This report comes on the heels of milestone achievement in the enactment of policies designed to maximize the benefits of natural resource to the state and citizenry. No doubt Ghana has been recognized as the star performer in initiating reforms based on the reconciliation reports at the 2016 EITI global conference which was held in Lima, Peru.

It is instructive to note that Ghana's EITI accolades have largely been achieved on the back of the mining industry. Indeed, Ghana's EITI implementation was focused exclusively on the mining industry until the year 2010 when the initiative was extended to the oil & gas sector.

Mr. Chairman, I do recall that in the few months subsequent to the launching of the GHEITI in 2002, the Chamber of Mines participated in the several international technical workshops and key meetings in London and Paris that defined how the initiative will be implemented.

Furthermore, because EITI is a government led initiative, the Chamber persuaded the government of Ghana to sign on to the global initiative and the mining industry collaborated with the then Ministry of Energy to organize the first workshop on EITI in Ghana in 2003. Not long after, Ghana signed on to the initiative, and as it is said, the rest is history.

Mr. Chairman, I wish to commend member companies of the Chamber of Mines who have subjected themselves to the rigors of the EITI since 2005 when the actual audits commenced. Government also deserves commendation for providing the political leadership as well as financial resources for the implementation of the initiative.

Civil Society representation has largely been positive with constructive engagements that have contributed immensely to the success of Ghana's EITI. It is worth mentioning that EITI has been hugely instrumental in thawing the relationship between companies, government and its many agencies as well as civil society organizations.

Mr. Chairman, as is well known, EITI is about communication and therefore the issues that arise out of the publication of the reconciled reports are as important as the reports themselves, if not more important. In the early years of EITI implementation, discussions on the EITI reports centered on the inadequacy of government's receipts from the mining industry. However as the mining companies got into full production and were advanced in recouping their investments, they began to pay corporate taxes in addition to mineral royalties. The very large inflows from corporate tax payments, coupled with royalty, PAYE as well as dividends payments swelled the mining industry's fiscal contribution to the state. Indeed, the mining industry has been the largest contributor to the Ghana Revenue Authority's collections in the last few years.

Nonetheless, the developmental imbalance between host mining communities and non-mining communities continues to persist, a situation which reflects negatively on the mining industry. In this regard, the Chamber and its members continue to urge the state to expend fiscal receipts from the mining sector in a more sustainable manner. The passage of the Minerals Development Fund Act epitomizes the strain of our thought and accordingly, we commend the Sector Ministry and Minerals Commission for their efforts that culminated in the promulgation of the Act. However, a significant share of mineral sector receipts continue to be channeled into the Consolidated Fund to finance a variety of projects, including recurrent expenditure. It is our humble view that given that these revenues flow from a finite resource, it is prudent that the state sets aside a portion for a rainy day. The mining industry therefore advocates that mineral

revenues should be managed along the lines of the provisions of the Petroleum Revenue Management Act, Act 815. It is our considered opinion that such a legislation will enhance transparency in the utilization and management of mineral revenue for the benefit of the good people of Ghana and generations yet unborn, who are the owners of the mineral resource endowments.

Mr. Chairman, I wish to assure you of the Chamber's continued support for GHEITI in line with our abiding objective to promote transparency, accountability and sustainable utilization of benefits from mining.

I thank you for your kind attention and May God bless us all.