A KEY NOTE ADDRESS DELIVERED BY THE HON. MINISTER OF LANDS & NATURAL RESOURCES AT AN INTERNATIONAL CONFERENCE ON PAYMENT DICLOSURES IN THE EXTERACTIVE INDUSTRIES ON 1ST AUGUST, 2013 , AT THE WEST AFRICAN PHYSICIANS SURGEONS COLLEGE, ACCRA

Mr. Chairman, Hon. Ministers of State, Members of the Diplomatic Corps, Executive Director of ACEP, the donors Oxfam America and Ibis, Hon. Members of parliament, Organizers of this Conference, Civil Societies and NGOs present, Development Partners Representatives of Government Organizations, the media, Distinguished participants, Ladies and Gentlemen

I am indeed honoured to give the key note address at this important conference on international transparency initiatives and their relevance to the context of African countries in promoting good governance in the natural resources sector.

This conference comes at a time the Government of Ghana and its partners are making significant efforts at deepening the governance of our natural resources.

The theme for the conference “International Initiatives on Transparency, tools for Accountability in African Countries” expresses the growing global transparency movement around natural resource management

Mr. Chairman, the Government and People of Ghana recognise the positive potential contribution that natural resources can make to economic and social development of the country and have agreed to realise these potentials through improved resource governance by adopting approved International Transparency Initiatives. Globally, there is a growing consensus that transparency is good for business, since it improves the business climate in which companies work and fosters good governance and accountability. This is based on the belief that transparency and accountability are critical to the sustainable use of rents from the exploitation of natural resources by the Government.

Some of the notable international transparency initiatives are

1. Dodd-Frank Wall Street Reform and Consumer Protection Act which was signed into federal law by President Obama of the United States of America on July 21, 2010
2. The European Union Directive
3. Extractive Industries Transparency Initiatives

The Dodd-Frank's Act aims to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Indeed, section 1502 of the *Dodd Frank Wall Street Reform and Consumer Protection Act*, passed by the US Congress in July 2010, has a provision aimed specifically at stopping the rebel groups and the national army in the DRC from using revenues from the minerals trade to fund their war. Section 1502 further requires that companies carry out supply chain due diligence and file appropriate reports with the US Securities and Exchange Commission (SEC) to determine whether their products contain conflict minerals.

Some time ago, Ghana was erroneously accused by an international organisation of being a transit route for conflict diamonds from Cote D'ivoire. Situations like this affect a country or a region's reputation, and also its ability to attract much needed investment.

Even where investors are willing to invest, Government may be unable to negotiate beneficial deals because of the high risks associated with being tagged as non-compliant with a particular scheme. To exonerate Ghana the Kimberly Process Certification Scheme (KPCS) was implemented in Ghana. The Kimberley Process Certification Scheme (KPCS) for conflict-free diamonds was successfully implemented, and is administered effectively.

Mr. Chairman, another area which Ghana and some African countries have adopted as a tool for accountability in Africa's extractive industries is the Extractive Industries Transparency Initiative (EITI)

Mr. Chairman, the EITI is a laudable concept which seeks to improve issues of transparency and accountability in countries dependent on revenues from exploitation of oil, gas and minerals. The Initiative also seeks to reduce the potential negative impacts of mismanaged revenues by ensuring that these revenues become an important source of long-term economic development and growth that will contribute to sustainable development and poverty reduction.

Mr. Chairman, the achievements made by Ghana in the implementation of the EITI and the Kimberly Process was in close cooperation with Government, mining companies and civil society organizations and Government will like to express its gratitude to all those who have contributed to put Ghana's name on the global transparency map. This achievement has further been rewarded in the recent Revenue Watch Global Governance Index which put Ghana top among 15 African Countries examined in the survey.

Mr. Chairman, there is a consensus among stakeholders in Africa that every participation country of implementing transparency initiatives should have a legislation.

In Ghana this process has begun. Ghana's EITI Bill seeks to cover the entire natural resources sector (i.e., minerals, petroleum, forestry and fisheries) and the revenues that the state receives from the industries within the sector. The Bill is also intended to ensure increased transparency in the distribution of payments made to and received by local government units and traditional authorities, as well as transparency in the use to which these revenues are put.

An important additional feature of this Bill is that it provides for contract transparency. That is, it makes provision for the disclosure to the public of the contents of extractive industry contracts negotiated and concluded between companies and firms within the sector and Government. Contract transparency is essential not only for the purpose of tracking revenue streams but also for ensuring the sustainable exploitation of natural resources by local communities and civil society organizations. Extractive industry contracts involve public resources and often act as instruments of public policy on fiscal, social, and environmental matters. On this premise, citizens are entitled to know the contents of these contracts. Ghana has also decided to put in place a Mineral Development Fund Bill to provide transparency in the management of ceded royalties to mining communities.

It is very important that enough capacity is built whilst financial management and tracking of revenue are becoming more and more sophisticated.

Mr. Chairman, on how African countries can use international transparency initiatives as tools for accountability, it is recommended that;

1. That Citizens' participation is critical in ensuring transparency and improving accountability to bring about sustainable development;

2. That the desired transparency and sustainability can only be achieved with more extensive disclosure of information, finer disaggregation of reporting and auditing of the entire value chain;
3. That the capacity of different stakeholders to monitor funds flows must be built further for more effective engagement and interaction.
4. Countries consider the good practices from other countries for incorporation into their own practices;
5. A more holistic approach to reporting on the entire extractive industries chain should be considered, including requirements for project by project reporting; contract transparency and full disclosure of license-holders and company directorships/ownership;
6. More consistent efforts towards promoting similar levels of transparency in contracting, operations and payments for all mining-related and extractive industry activities to create value chains be adopted by participating countries;
7. African countries take advantage of new developments in donor countries and international markets (such as in the European Community and the United States of America) that require clearer and more disaggregated reportage from firms listed in their countries;
8. Countries should make the efforts to promote more disclosure of budgetary information and follow-up on how arising funds are used at the sub-national level to ensure that such funds are actually used as indicated and that natural resource exploitation would have positive impacts on the lives of the people.
9. There is an urgent need for stakeholders to engage in advocacy for resources to Transparency Initiatives in participating countries from national, international and private sector sources.
10. Other advocacy issues including mainstreaming Transparency initiative into national development planning and budgeting efforts to strengthen the link between transparency, accountability and overall development.

11. Participating countries should seriously consider legislative support for Transparency to ensure that relevant information can be quickly accessed and logistical support for the process is assured.
12. There is certainly the need to pull together and optimise individual country experiences around some agreed pillars for the way forwardThe Government of Ghana has also joined the Open Governance Partnership and pledged to open up the Mining Sector for greater transparency. Some of the policy reforms we are pursuing include the adoption of an open and competitive tender process for prospecting rights; the disclosure of mineral and investment agreements like the Petroleum Sector; and the establishment of a transparent framework for sharing mineral revenues.

Ladies and Gentlemen, these international initiatives demonstrate the desire of the international community to hold their own companies accountable. However, they provide an important room for our citizens to also hold Government accountable in its relationship with the companies. There is no doubt therefore that the initiatives complement our own policies and legal mechanisms.

Mr. Chairman, one major concern I will like to raise is citizens make use of the volume of data disclosures that will be made under both international and national frameworks. It does not make meaning for Government and companies to incur the additional cost of complying with these disclosure requirements when citizens are not prepared to use the information disclosed.

I have been informed that Civil Society Organizations themselves have recognized this challenge and are preparing to confront it. In this respect, I have been told that the Africa Centre for Energy Policy will hold a workshop for some CSOs tomorrow to understand the tools required to make good use of information that will be disclosed by Government and companies to demand accountability.

I also want to encourage our research institutions to use the information for academic research and to help inform their contributions to national development. Policy makers as well will find this information relevant to guide policy making and ensure evidence based analysis of the contributions of companies to our national development efforts.

Mr. Chairman, distinguished participants, we in Ghana do not only see transparency initiatives for the sake of transparency but also for accountability. This is because transparency must lead to accountability. The Government of Ghana will not relent in deepening these efforts