

CONTRIBUTION BY HON. Ms SHERRY AYITTEY, MINISTER OF ENVIRONMENT, SCIENCE AND TECHNOLOGY, GHANA, AT A ROUND TABLE DISCUSSION ON CREATING AN ENABLING ENVIRONMENT FOR SUSTAINABLE MINING DURING THE HIGH LEVEL SEGMENT OF CSD 19 HELD ON THURSDAY MAY 12, 2011 IN NEW YORK

Mr. Chairman, thank you for the opportunity to contribute to the discussions on mining.

Mining is a multifaceted activity that requires an integrated approach for its effective and efficient management. When managed properly, the activity has the potential to generate streams of benefits that can contribute significantly to sustainable development. Thus, countries endowed with mineral resources have the responsibility to manage these resources to benefit their economies.

Beyond employment and other direct economic impacts of mining operations, creating positive linkages between mining and the rest of the economy is critical for development. Indeed, without this integrated approach, there are real risks that mining operations would create enclaves, with few spillovers to the rest of the economy.

In this regard, some key issues that all governments have to manage, as we from Ghana can bear testimony to from our experience, include:

- Challenges with environmental impact and social conflict caused by mining operations;
- Difficulties with optimizing the use of revenues from mining for maximal development impact;
- Facilitation of positive linkages between the mining sector and the rest of the economy; and
- Enhancing of local content in the sector.

To address these issues, the Government of Ghana has put in place a comprehensive and forward looking policy framework for mining to catalyse sustainable development.

Firstly, on the environmental front, efforts being made include conducting Strategic Environmental Assessment towards ensuring long term planning as well as enhancing Environmental Impact Assessment (EIA) required before commencing mining activities to take account of best practices such as mine closure planning and posting of reclamation bonds. Additionally, Ghana has introduced a third wave of environmental compliance enforcement programme called Akoben which is a form of Environmental Performance Rating and Public Disclosure concept.

Secondly, efforts being made to enhance the socio-economic benefits include:

- Review of fiscal regime, in line with quite common trend across a number of developing countries, to maximize retained value from mining;
- Enhancing monitoring and evaluation of fiscal and financial flows within the sector to ensure efficient mobilization and distribution of the benefits of mining;
- A special emphasis on developing legislation and guidelines for disbursement and usage of the part of mineral revenues returned to mining communities; and
- Increasing Government-Industry Partnership, a PPP, to improve linkages with the rest of the economy.

Then also, very importantly, governments need to be able to design and implement sustainable development plans which ensure that mining activities and mineral wealth to create and feed into other sectors that will survive and outlive mine closure. This includes building strong backward and forward linkages between mining activities and the rest of the economy.

Finally, noting that the inputs, outputs as well as impacts of mining are not limited to any one country, both Government and the Private Sector have, either

individually or jointly, signed on to international voluntary initiatives such as the Kimberly Process Certification Scheme (KPCS), Extractive Industries, Transparency Initiative (EITI), Intergovernmental Forum on Mining, Minerals and Sustainable Development (IGF), International Council on Mining and Metals (ICMM) and the International Cyanide Management Code (ICMC), to facilitate a collaborative approach to institution and maintenance of requisite governance, social and environmental standards.

I would therefore like to reiterate the need for an integrated approach if mineral-endowed nations, both individually and collectively, would succeed in their efforts to use mining as a catalyst for sustainable development.

Ghana would therefore request for deepening of collaboration between mining developing nations and Development Partners to ensure that we lay a solid foundation for the sustainable development of mining-dependent economies.

Mr. Chairman, thank you for the opportunity to make this intervention.