



SPECIAL TRAINING SESSION FOR JUDGES AND MAGISTRATES ON THE OFFENCES AND PENALTIES REGIME UNDER GHANA'S MINERALS AND MINING ACT, 2006 (ACT 703)

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SMALL SCALE MINING IN GHANA



MINERALS COMMISSION

Outline



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- Minerals and Mining Act, 2006 (Act 703) Section 81 –99
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 - Geological Investigations
 - Increase Presence of MC on the ground
 - Alternative Livelihood Project
 - Application of Modern Technology
 - Deepen Education and Sensitization of Stakeholders
 - Formation and Supporting of DMCs
 - Formation of SSM Associations

□ Inter-Agency Collaborations

BACKGROUND: Overview of Small Scale Mining

- SSM of gold in Ghana is a pre historic activity which can be traced to the 5th Century
- Discouraged in the colonial era, till 1989
 - This led to Secret Activities and Smuggling of Proceeds outside the country
- In 1989 – SSM Activities were mainstreamed through promulgation of the Small Scale Gold Mining Law, PNDCL 218 (1989)
- In 2006, SSM regime was integrated into the new Minerals and Mining Act, 2006 (Act 703). Sections 81 to 99 apply to Small Scale Mining

BACKGROUND: Overview of Small Scale Mining

- ASM is a significant sub sector providing livelihood for millions;
- ASM has contributed significantly to poverty reduction and stimulate economic growth in the local communities.
- ASM is the supplier of minerals for the Jewelry Industry in Ghana
- Serve as Precursors to Large Scale Exploration Companies (Pathfinders)
- Contribution towards Community Development through Implementation of CSR projects
- ASM Contributed 43% **(2.1 million oz)** of total gold production in 2018, 36% in 2019, 30% in 2020 and total of almost 100% Diamond production

LEGAL AND REGULATORY FRAMEWORK FOR SMALL SCALE MINING IN GHANA



- ❑ Minerals and Mining Act, 2006 (Act 703) **SECTION 81–99**
- ❑ Minerals and Mining (Amendment) Act, 2019 (Act 995);
- ❑ Minerals and Mining (General) Regulations, 2012 (L.I. 2173) **Regulations 24–25**
- ❑ Minerals and Mining (Support Services) Regulations, 2012 (L.I. 2174) **Regulations 2(2) & 5**
- ❑ Minerals and Mining (Compensation and Resettlement) Regulations, 2012 (L.I. 2175)
- ❑ Minerals and Mining (Licensing) Regulations, 2012 (L.I. 2176) **Regulation 202–256**

LEGAL AND REGULATORY FRAMEWORK FOR SMALL SCALE MINING IN GHANA (Cont'd)

- ❑ Minerals and Mining (Explosives) Regulations, 2012(L.I. 2177)
- ❑ Minerals and Mining (Health, Safety & Technical) Regulations, 2012 (L.I. 2182)

Regulation 469–492

- ❑ Minerals and Mining (Tracking of Earth Moving & Mining Equipment) Regulation, 2020 (L. I. 2404)
- ❑ Minerals and Mining (Local Content and Local Participation) Regulation, 2020 (L.I. 2431)

SSM Legal Framework Explained (1)

License for small scale mining :(Act 703, Section 82 [1])

- “ a person shall not engage in or undertake a small scale mining operation for a mineral unless there is
a license granted by the Minister responsible for Mines” (upon recommendation by the Minerals Commission)

Qualification of applicant for small scale mining license (Act 703, Section 83)

- A license for small-scale mining operation shall not be granted to a person unless that person
 - is a citizen of Ghana,
 - has attained the age of eighteen years
 - is registered by the office of the Commission in an area designated under section 90(1).

SSM Legal Framework Explained (1)



Conditions for the grant of a licence

- ▶ 84. Except otherwise provided in section 82 to 99, a licence granted by the Minister shall be in respect of the mineral specified in the licence and shall be subject to conditions specified in the licence.

Duration of a licence

- ▶ 85. (a) A licence granted under section 82 (1) to a person, a group of persons, a co-operative society or a company shall be for a period not more than five years from the date of issue in the first instance and may be renewed on expiry for a further period that the Minister may determine.
- ▶ (2) The Minister may by legislative instrument and on the advice of the Commission, prescribe the fees payable for the grant and renewal of licences for small-scale mining.

[Schedule of Fees (Second Schedule of L.I. 2176)]

Areas covered by licence

- ▶ 86. The size of the area in respect of which a licence may be granted for small-scale mining shall be in accordance with the member of blocks prescribed.

[Regulation 2(2) and 204(d) of L.I 2176]

SSM Legal Framework Explained (1)



Revocation of licence

- ▶ 87. The Minister may revoke a licence granted under section 82 (1) where,
 - ▶ (a) the minister is satisfied that the licensee has contravened or failed to comply with a term or condition of the licence or a requirement applicable to the licensee,
 - ▶ (b) the licensee is convicted of any offence relating to the smuggling or illegal sale or dealing in minerals, or
 - ▶ (c) the Minister is satisfied that it is in the public interest to do so.

Transfer of licence

- ▶ 88. A licence granted under section 82 (1) may be transferred only to a citizen and with the consent of the Minister.

Designated areas

- ▶ 89. Where the Minister, after consultation with the Commission considers that it is in the public interest to encourage small scale mining in an area, the Minister may by notice in the *Gazette*, designate that area for small scale mining operations and specify the mineral to be mined.

SSM Legal Framework Explained (1)



Establishment of District offices of the Commission

- ▶ 90. (1) The Commission may establish an area designated for mining operations, an Office to be known as the District Office of the Commission referred to in this Act as the “District Office”.
- ▶ (2) There shall be appointed by the Commission a District Officer who shall be the head of the District Office of the Commission.

SSM Legal Framework Explained (1)



- ▶ (3) A District Office shall among other functions
 - a) compile a register of the small scale miners and prospective small scale miners specifying particulars that may be determined by the Minister, [Regulations 202 – 205 of L.I. 2176]
 - b) supervise and monitor the operation and activities of the small scale miners and prospective small scale miners;
 - c) advise and provide training facilities and assistance necessary for effective and efficient small scale mining operations,
 - d) submit to the Commission in a form and at intervals directed by the Commission, reports or other documents and information on small scale mining activities within the District; and
 - e) facilitate the formation of Small Scale Miners Association.

SSM Legal Framework Explained (1)



Operations of small scale miners

- ▶ 93. A person licensed under section 82 may win, mine and produce minerals by an effective and efficient method and shall observe good mining practices, health and safety rules and pay due regard to the protection of the environment during mining operations.

Compensation for use of land

- ▶ 94. Where a licence is granted in a designated area to a person other than the owner of the land, the licensee shall pay compensation for the use of the land and destruction of crops to the owner of the land that the Minister in consultation with the Commission and the Government agency with responsibility for valuation of public lands may prescribe.

Use of explosives

- ▶ 95. A small-scale miner shall not without the written permission of the Minister on the recommendation of the Commission use explosives in the area of operation.

Purchase of mercury

- ▶ 96. A small-scale miner may purchase from an authorized mercury dealer the quantities of mercury that may be reasonably necessary for the mining operations of the small scale miner.

Regulations 476 of L.I. 2182



Regulation 476—Machinery for small scale mining

Regulation 287 to 468 applies with the necessary modifications to machinery used in small scale mining operations.

Community Mining Scheme



- ❑ Operated under the small scale mining laws & the Tributer System (Regulations 493–506 of LI2182)
- ❑ Community based operation
- ❑ Reserved for Ghanaians
- ❑ Governed by Code of Practice based or Regulation & to be signed by applicants
- ❑ Its management is assisted by a District Mining Oversight Committee
- ❑ Sources of Land– Block out areas, shed offs, Tributer system, special releases by L/S operating Companies
- ❑ Launching of CMS (20 Areas as at December, 2020)

SUPPORT SERVICES UNDER CMS



☐ Persons/Companies registered and permitted by the Minerals Commission may provide the following services to assist in the implementation of the Scheme:

- Exploration
- Mining
- Environmental management
- Equipment Hire
- Financial Services
- Centralised Processing Unit
- Gold trading

CURRENT STRATEGIES

Some Key Measures:

- **Block-out areas for SSM**
- **Conduct Geological Investigation**
- **Increase Presence of MC on the ground**
 - *Regional, District, Satellite offices*
 - *To facilitate licensing and Strengthen monitoring of SSM activities*
- **Deepen Sensitisation of Stakeholders**
 - *Educate and Sensitise Traditional Authorities, Land Owners, Media etc.*

OTHER STRATEGIES

- ❑ **Application Of Modern Technology:**
 - ❑ *Introduction of E-services into ASM Licence processing (Mcas, MM)*
 - ❑ *Tracking of Heavy Duty Equipment (Excavators & Bull Dozers) used in ASM operations*
 - ❑ *Use of DRONES to enhance monitoring of ASM operations*
- ❑ **Alternative Livelihood Projects (ALPs)**
- ❑ **Formation & Supporting of District Mining Committees (DMCs)**
- ❑ **Formation of Small Scale Mining Associations**

Inter-Agency Collaboration



Encouraging peer review among ASM operators

Active stakeholder engagement and commitment crucial to improving ASM

An integrated approach involving all relevant stakeholders is needed to address the multifaceted /complex challenges of ASM

THANK YOU