MINING AND DEVELOPMENT IN GHANA: AN EXAMINATION OF COMMUNITY PARTICIPATION IN THE UTILISATION OF THE MINERAL DEVELOPMENT FUND (MDF) IN THE TARKWA-NSUAEM MUNICIPAL ASSEMBLY

BY

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THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MA MANAGEMENT AND ADMINISTRATION DEGREE

JULY, 2019
DECLARATION

I hereby declare that, this work is the result of my own research work, and not a reproduction either in part or full anybody’s work. All relevant references cited in this work have been fully acknowledged. This work has not been presented in full or in part to any other institution for examination. I remain solely responsible for any shortcomings in this study.

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CERTIFICATION

I hereby certify that the work has been supervised according to the laid down rules and procedures of the University of Ghana.

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PROF. KWESI AMPONSAH-TAWIAH     DATE
(SUPERVISOR)
DEDICATION

This work is dedicated to my caring uncle, Mr. Samuel K. Agyem and wife, Mrs. Evelyn Agyem, and hardworking guardians, Mr. Daniel Owusu-Koranteng and Mrs. Hannah Owusu-Koranteng, who had been and continue to be my inspiration in life. God richly bless you all.
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<td>CHRAJ</td>
<td>Commission on Human Rights and Administrative Justice</td>
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<td>Extractive Industry Transparency Initiative</td>
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<td>ERP</td>
<td>Economic Recovery Programme</td>
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<td>GHEITI</td>
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<td>International Council for Minerals and Metals</td>
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<td>International Finance Corporation</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>TUC</td>
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<td>PNDC</td>
<td>Provisional National Defence Council</td>
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<td>DAS</td>
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<td>GOG</td>
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DACF  District Assembly Common Fund
TNMA  Tarkwa Nsuaem Municipal Assembly
PHDA  Prestea Huni Valley District Assembly
Abstract

Using semi-structured interviews and Focus Group Discussions (FGDs), this study examined the level of participation of mining affected communities in the utilisation of the Minerals Development Fund with special reference to the Tarkwa-Nsuaem Municipal Assembly.

The study found out that there are a number of projects executed and others still ongoing. However, it was evident that, there is no segregation of projects undertaken with the mineral royalties and that of the other sources of founding, such as the DACF and IGF. With regards to the level of participation of the mining affected communities, the study found that the level of community involvement was abysmally low. The interest areas were the identification, execution, evaluation, decision-making and monitoring processes of the project life.

The study concludes that, the low level of participation can be attributed to individual, technical and leadership related issues.
CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Mineral-rich nations, especially developing nations have amplified their reliance on the extractive segment with the belief that it will help them to achieve their development objectives (Ross, 2001). In numerous nations with mineral assets, there is a strong connection between actions towards neediness to decrease poverty and the presentation of the systems to regulate the mining area. The mining division structure depends on business scale mining as the means through which governments accrue foreign exchange and fiscal receipts for governments. There is the belief in developing countries that the commercial mining sector provides jobs to local people. However, small-scale mining operations in developing nations like Ghana, Bolivia, Tanzania and Burkina Faso provide employment for about 13,000,000 workers (IFC, 2003).

Ghana currently has nine large-scale mining companies producing gold, diamonds, bauxite and manganese. There are also over two hundred registered small-scale mining groups and 90 mine support service companies. A total of 212 mining companies had been awarded mining leases and exploration rights as at the start of 2008 (Minerals Commission, 2008 cited in Boon & Ababio, 2009). Sixteen percent of these mining companies have been given mining leases by the Minerals Commission. Twenty four percent of this number is foreign controlled mining exploration companies, whilst the Ghanaian controlled mining companies, which constitute sixty percent of all mining activities, are mostly involved in small-scale mining and are spread across the length and breadth of the country (Tenkorang & Kuevor, unpublished). Ghana has an elongated past of gold mining using aboriginal methods (Hilson, 2002). Although indigenous methods of gold mining were highly effective with a long history of evolution and suitable techniques, the
Europeans, who came to the Gold Coast during the colonial years, thought the methods were inferior (Owusu-Koranteng, 2009).

The potential of mining to contribute to the economy of Ghana was acknowledged and given priority attention under the Economic Recovery Programme/Structural Adjustment Programme (ERP/SAP) undertaken in the country between 1983 and 1990. The aim was to increase production and productivity of the mining sub sector. These changes were in mining sector legislation to attract Foreign Direct Investment (FDI), increasing fiscal liberation of the mining sector, the mining sector and the privatisation of state mining assets (Akabzaa & Darimani, 2001). The accelerated growth in the mining sector under the ERP/SAP has led Ghana achieving the status of the second largest gold producer in Africa after South Africa and the third largest of aluminium metal and manganese ore and a significant producer of bauxite and diamond (Owusu-Koranteng, 2009). This performance notwithstanding, mining has had reported effects on the environment in various dimensions: effects on biodiversity; air; water; and land pollution; land degradation and health implications (Owusu-Koranteng, 2009).

Atkinson (1998) postulates that many communities see land as their legacy from the past, their provider in the present and their security for the future. The indigenous people traditionally own forestlands, and communities have strong ties to their lands (UNEP, 2002). The Wassa people of Western Ghana see livelihood in terms of access to and free movement on the land, the use of such land for grazing and farming which employs about forty percent of the population within the Tarkwa-Nsuaem municipality (Yankson, 2009). Community people survive on land and natural resources hence increasing surface mining activities threaten community livelihood (Awusabo-Asare et al, 2000).
1.2 Problem statement

Mining has turned into a development dispute. The sector’s contribution to GDP in 2016 is put at 2.0% and records for about 40% of foreign exchange for the country (GHEITI Annual report, 2016). These notwithstanding, Surface Mining is related with struggles, contamination of water bodies, wellbeing dangers, ecological displacement, job losses, abandoned pits among others (Tenkorang and Kuevor, unpublished). It’s associated social, environmental and economic problems have become developmental problems to the country (Tenkorang and Kuevor, unpublished).

So as to allay the developmental gaps experienced by host communities and towards enhancing the sustainability of the mining activities in the area, the Mineral Development Fund (MDF) was set up through an Executive Fiat in 1993 by the Government of Ghana. The brain behind the establishment of such a Fund is to provide “funds for communities which host mining operations to undertake development projects to mitigate the effects of mining on the environment and to support the operating budget of mining sector institutions and some specific mineral related projects” (Performance audit report, 2013).

Following quite a while of the Mineral Development Fund's presence, host mining community people keep on whining about how mining operations have affected their lives adversely (CHRAJ, 2008; Gavin et al, 2009; Oxfam, 2011). Local government authorities postulate that mineral royalties are utilized for financing development undertakings; however, the occupants of the mining affected communities have the opinion that the assembly members “are corrupt and tend to use the royalties for their personal gains”. Furthermore, there are a number of misplaced developmental projects which are not in the interest of the residents of the mining communities (Taabazuing et al, 2012).
This research therefore seeks to examine the widespread apathy and general near rejection of projects funded with the Minerals Development Fund (MDF) in the Tarkwa-Nsuaem Municipal Assembly.

1.3 Research Aim

The principal goal of this research is to examine the level of participation of beneficiary host mining communities in the implementation of the Minerals Development Fund (MDF), identify the various projects executed within the Tarkwa-Nsuaem Municipal Assembly, as well as assess the modalities employed in the implementation of the Fund.

1.4 Objectives of the Research

Specifically, the study objects are as follows:

- To determine the various projects executed under the Minerals Development Fund within the TNMA;
- To examine the MDF implementation process by the TNMA for development;
- To examine the level of participation of the beneficiary communities in the implementation of the MDF.

1.5 Research Questions

- What are the projects executed under the Minerals Development Fund in the Tarkwa-Nsuaem Municipal Assembly?
- What are the processes adopted by the Tarkwa-Nsuaem Municipal Assembly in the implementation of the MDF?
- To what extent are the beneficiary community people involved in the implementation of developmental projects funded from the Minerals Development Fund?
1.6 Significance of the Research

The results from this research will be beneficial in two folds:

First, the findings will inform the duty bearers on effective ways to execute developmental projects funded by the MDF in alleviating the harmful outcomes of mining activities on host communities.

And secondly, the conclusions of this research would contribute immensely in giving a profound enlightenment in what manner the Mineral Development Fund has been implemented to advance the living standards of people living in mining communities.

1.7 Scope and limitation of the study

The aim for the study was to identify the various projects executed under the Minerals Development Fund coverage, also to examine how the fund has been utilized as well as the level of community involvement in the execution of project since the Fund was established. However, the data got from the Tarkwa-Nsuaem Municipal Assembly covered the utilization of the MDF from the year 2008 to 2016. The reason assigned was the fact that the Municipal was carved out from the erstwhile Wassa West District in 2008.

The chief challenge was the unwillingness of some principal staff of TNMA to release important documents and data concerning the MDF implementation by the Municipality. This forced the researcher to rely more on data from GHEITI and Office of the Administrator of Stool Lands.

Secondly, the reluctance of most of the informants to divulge important information for the fear of being victimized within the community.

1.8 Organisation of the study

The study is organised into five chapters. Chapter one is introduction which covers the background to the study, problem statement, objectives of the study, research questions,
significance of the study and organisation of the study. Chapter two deals with various scholarly materials this study reviewed. Issues reviewed include concept of development; extractive sector and community development; history of the Minerals Development Fund; MMDAs and the use of the MDF, and community participation in community developmental project. Chapter three is centred on the methodology used in data collection and analysis of the data. Chapter four outlines the outcomes and analysis for this study. Chapter five provides summary, conclusion and recommendations.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Mining is a vital activity in Ghana and possesses the probability to accelerate the development of the country. The literature review examines how mining influences perceptions of development of nations and how that helps to achieve developmental goals. The review assesses development not only at the national and international levels but also at how investment in the mining sector benefits the host communities. The literature review assesses how gold mining has affected the rights of local communities to livelihood, clean environment. Also, it examines how mining influences the different social groups, especially in the distribution of developmental projects as well as the participation of the beneficiary communities in the policymaking process. The literature review further discusses the circumstances that necessitated the setting up of the Minerals Development Fund and how its use has been in relation to bridging the developmental gaps in the host mining communities.

2.2 The Concept of Development

The concept of development has been a subject of controversy when viewed by different interest groups. Rural communities’ perception of development is different from the Development Goals of urban communities and that of different societies in the world. The difficulty has been how these different groups could have a common understanding of what constitutes development. This controversy notwithstanding, development economists consider development not only in terms of improvements in the material standard of living but also in the widening of opportunities and expansion of capabilities (Owusu-Koranteng, 2009).
Development is desirable changes in the vector of attributes of socio-economic and political systems. Ajakaiye (2001) following from Pearce et al. (1990) consider “the attributes of development to include increases in real income, per capita, improvements in health and nutritional status, access to resources, educational achievement, a fairer distribution of income and increase in basic freedoms”. Ajakaiye (2001) describes environmentally sustainable development planning as the use of economic policy instruments to make economic, social and ecological goals more consistent and mutually reinforcing to achieve growth. Other considerations include equity in income distribution and better quality of life. Such characteristics of development do not look at development for the present generation alone but also at equity among generations and the stability of biological and physical systems simultaneously (Ajakaiye, 2001).

The United Nations’ Brundtland Report (World Commission of Environment and Development, 1987) defines sustainable development in terms of the “present generation being able to meet their needs without compromising the ability of future generations to meet their own needs. Equity, futurity and environment are the tenets for the principle of sustainable development”. To augment this principle, John A. Kufuor (Former President of the Republic of Ghana) in 2001 summed up his vision on development and the environment as follows: “Our forest, our trees, our rivers and lakes are not commodities we can abuse; we do not own the land, we hold it in trust for generations unborn. We inherited at our birth a beautiful land blessed with thick forests, precious minerals and varied animals. We have a right to make use of these and other natural gifts to enhance the quality of our lives. However, we do not have the right to degrade the environment; we do not have the right to turn our forestlands into desert just because we want to sell more timber; nor do we have the right to denude our lands; seas and rivers of the animals and fishes indiscriminately. Let us learn to take care of our environment. We cannot claim to love our land when in pursuit of
extracting precious minerals, we leave the land polluted and poisoned. We cannot litter, we cannot leave our surroundings dirty and call ourselves patriots” (Owusu-Koranteng, 2009)

Tamasane (2003) sees the concept of development as holistic and essentially governance-related in a Sustainable Livelihood (SL) approach. The SL approach puts the poor at the centre of development recognising that policies and institutions condition the environment in which people work. The concept of SL emphasises on the significance of connecting home-grown issues to fundamental strategies and organisations being developed mediations. The interventions include organisations, which influence peoples’ lives; the services they receive; the policy atmosphere, the motivations accessible to them either open or concealed by way of unwritten power relations and the rules, which govern the lives of the poor.

Western economists such as Schumacher (1973) cited in Owusu-Koranteng, (2009) admit that, past growth in developing countries has been associated with severe degradation of natural resources. Africa, with nearly 23% of land area; 13% of the world’s population; 15% of forests and about 5.0% of forest plantations of the world has most of its forest cover dwindling due to poor investment practices (FAO, 2000). With a total forest cover of 8.2 million hectares in 1900, Ghana currently has only 1.6 million hectares of forest cover, which represents only 7.0% of the land surface area. The Western Region of Ghana, which is now the destination for mineral exploitation has the best natural resource (Kasanga, 2002).
2.3 Mining and community development

Reliance on the extractive sector as the process by which development can be realised without setting up the required linkages for worth expansion just drains the universe of its shared natural capital. Ajakaiye (2001) posit that, every development effort, particularly in a developing nation, ought to perceive the impact of nature on the quality of life of the general population. Investment in the extractive sector and the over dependence on Western-style of development models has not helped in developing local communities.

Within mining communities, mining investment presents different benefits and costs to different categories of people. In broad terms, the classification of groups of people in mining communities are the occupational communities that depend directly on the mining companies for incomes; the residential community who live in the geographical area; and the local communities who are indigenes of the area affected by mining activities (Mining, Minerals and Sustainable Development, 2002). Whilst mining may improve the incomes of occupational groups in mining communities, that of the residential or indigenous groups may experience negative effects. Often, job creation benefits few expatriate staff (Ross, 2001). Surface mining displaces community people creating problems of landlessness, joblessness and homelessness in communities. These increase marginalisation of affected people and lead to food insecurity, breakdown of social systems and loss of access to common resources and public service (Oxfam, 2001).

2.3 History of the Mineral Development Fund (MDF)

The negative impacts of mining are compounded by the fact that mining industry has been a major perpetuator of the continuing marginalisation of indigenous communities, as it has alienated them from their land and livelihood resources. There is therefore a general belief that poverty and lack
of sustainable development in the mining communities and the country in general has been caused by the behaviour and operations of the mining companies.

In order to address these developmental gaps in the mining affected communities, the Government of Ghana, through an Executive Fiat set up the Minerals Development Fund (MDF) to be known as the Fund in 1993. The purpose of this Fund was to give financial support to mining affected communities which serve as hosts to the multinational mining companies to embark on projects aimed at assuaging the impacts of mining operations on the landscape and bolster the working spending plan of the local governments and some institutions tasked to execute mineral related projects.

The fund would be financed by continues from royalties paid by mining organizations and different sources. The fund is aimed at introducing the mining affected community improvement plan to straightforwardly support financial advancement in host towns in which mining tasks happens or which are influenced by mining exercises. It will likewise give budgetary allocation to the immediate advantage of mining affected communities, holders of enthusiasm for land just as customary and local government experts inside mining zones.

Be that as it may, following quite a while of presence, the store has not been utilized for the reason for which it was built up, subsequently, there was the requirement for enactment to back it so as to prevent misappropriation.

So, the Government of Ghana through its law-making body passed into law the Minerals Development Fund Bill into an Act and was given a Presidential assent on 29th March, 2016 as the Minerals Development Fund, Act 2016 (Act 912). Sections 2 and 3 of the MDF Act, spell out the object sources of the Fund respectively as:
2. The object of the Fund is to provide financial resources for the direct benefit of:

   a) a mining community;

   b) a holder of interest in land within a mining community;

   c) a traditional and local government authority within a mining community; and

   d) an institution responsible for the development of mining.

3. The sources of money for the fund include:

   a) twenty percent of the mineral royalty that is received by the Ghana Revenue Authority on behalf of the Republic from holders of mining leases in respect of mining operations of the holder;

   b) moneys approved by Parliament for the Fund;

   c) grants, donations, gifts, and other voluntary contributions;

   d) moneys that accrue to the Fund from investments made by the Board; and

   e) other moneys that may become lawfully payable to the fund."

According to Akabzaa (2009), under the present arrangement of how the mineral royalties should be disbursed and administered, 80% of the mineral royalties are transferred to the Consolidated Fund and the 20% is moved to the Mineral Development Fund (MDF). 10% of the MDF is utilized to help government organizations in the mining sector and the other 10% is dispensed to the office of the administrator of stool lands The Administrator of stool lands keeps 10% of the 10% got for regulatory purposes and dispenses the remainder of the cash in the order of: 55% to District Assemblies, 25% to stools and 20% to Traditional Authorities. The extent given to the local
government authorities should be utilized in undertaking developmental developments to allay the adverse effects of mining activities in their communities.

2.4 Community Participation

The definition of “participation” according to Tenkorang and Kuevor (unpublished), is a matter that has drawn a significant degree of disagreement among development scholars and practitioners. According to Boon, Bawole & Ahenkan, (2013), community participation is the process by which residents and other invested individuals participate in the control of improvement activities and the choices and capitals that impact these activities. They went further to stress that, “community participation in the management of public projects can come in the form of involvement in identification of problems, design and application of solutions, monitoring of results, or evaluation of the project”. Summarily, community participation can be described as a situation whereby people act in concert to advise, decide or act on issues, which can best be solved through some joint action.

In the mining sector, stakeholders such as government, companies, Civil Society Organisations (CSOs) and communities have different understanding and appreciation as to what constitutes participation.

Tenkorang and Kuevor (unpublished) citing (Pretty and Vodouche, 1997) identifies seven categories of participation, moving from least to most participatory as follows:

1. Information sharing describes the type of participation where locals answer questions to pre-formulated questionnaires or research questions and do not influence the formulation or interpretation of the questions.
2. Passive participation describes the type of participation where locals are told what is going to happen and involved primarily through being informed of the process.

3. Consultation describes the type of participation where project beneficiaries meet with external agents who define both problems and solutions in light of their responses, but are under no obligation to take on people’s views or share in decision-making.

4. Provision of material incentives involves project beneficiaries providing resources, such as labour/land in return for other material incentives. They do not have a stake in continuing activities once the incentives end.

5. Functional participation takes place when locals form groups usually initiated by and dependent on external facilitators to participate in project implementation. The groups may become self-dependent and are usually formed after major decisions have been made, rather than during the early stages of the project.

6. Interactive participation describes the type of participation where locals participate in joint analysis leading to the formulation of project plans and the formation of new local institutions or strengthening existing ones. The groups take control over local decisions and in maintaining structures or practices.

7. Self-mobilisation describes the type participation where locals participate by taking initiative independent of external institutions and develop contacts with external institutions for resources and technical advice, but retain control over how resources are used.

An intriguing contention progressed by Cornwall (2003) is that in as much as the participatory dialogue may be about strengthening and incorporation of marginalised groups into tasks influencing their lives, the useful acknowledgment stays among the contemporary account of
improvement support. He argued further that, “to congruence with neoliberal development agendas in which fundamental questions of structural, intersubjective and personal power remain unaddressed” (Cornwall, 2003).

Power is a focal viewpoint and interest should consistently be found in light of authority relations. Concerning community level, Adam and Oshima (2014) argued that marginalised groups such as the youths have been factually exempted from policy decision making and they have been called upon to thoroughly consider the potential effects of interest on united power fundamentals. Community leaders more often than not control participatory procedures, as a result of built up conventional assigned, however, in addition “they tend to be better educated” as well as “have fewer opportunity costs on their time” (Mansuri & Rao, 2003).

Nevertheless, some scholars hold the view that, there is minimal practical proof supporting the cases of improved productivity or viability of participatory methodologies (Van Kempen, 2014). Others contend further that involvement diminishes cost efficacy of developments and the talk raises trusts that can’t be met practically speaking (Lamb et al. 2005; Walsh et al. 2012). However, Mansuri and Rao (2003) revised works about community participation undertaken by the World Bank, resulting in a hybrid and precise milieu outcomes. Whereas in general, a variety of scholarly works found a positive effect of involvement on development efficacy, many writers condemn that they frequently neglect to build up a cause-effect relationship between participatory components and enhanced development results (Mansuri & Rao 2003).
CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section outlines the research methodology which comprise of the study design, the study area, target populace, sample size and selection methods, research instruments, data gathering techniques and the data analysis procedures employed in deciding the utilisations and the application of the Minerals Development Fund in the Tarkwa-Nsuaem Municipal Assembly.

3.2 Research design

It is usually agreed that qualitative researchers mostly expect that social truth must be people centred, as they infer and understand the individual’s convictions and behaviours (Denzin & Lincoln, 2011). Case study involves “intensive study of a single unit for the purpose of understanding a larger class of (similar) units … observed at a single point in time or over some delimited period of time” (Gerring, 2004, pp. 342). In effect, case studies give a chance to the researcher to pick up a profound comprehensive perspective on the study problem, as well as encourage illustration, comprehension and the clarification of the circumstance (Baxter & Jack, 2008).

Knowledge on the case requires a comprehension of different cases, things, and occasions yet an additional attention on its uniqueness is needed. Such distinctiveness is built up not specifically by contrasting it on various factors (there might be not many instances by which this case varies from the standard), however the accumulation of highlights and the arrangement of happenings are seen by individuals close within reach as (in a few different ways) exceptional, a basic distinctiveness.
Researchers can be attracted effectively to this feeling of uniqueness when we give empirical records (Stake, 2010).

The research adopted a case study qualitative approach in investigating the level of engagement and consultation of beneficiary communities when developmental projects funded from the MDF are being undertaken in Tarkwa-Nsuaem Municipal Assembly. Subjective research is a type of research that seeks an in-depth information of societal events which include the understanding of people’s thoughts, beliefs and conduct used in explaining social phenomenon (Trochim, 2006). Qualitative research is differentiated by its attention on comprehensive handling of events (Silverman, 2000). The “how”, “what” and “why” nature of the questions also meant that qualitative research would be best for this study. Subjective request is recognized by its accentuation on comprehensive treatment of marvels (Silverman, 2000).

Although there are many approaches of enquiry in qualitative approach, the researcher employed the use of a case study approach of enquiry. This is because a case study approach of investigation allows the researcher to explore in depth “a program, an event, an activity, a process, or one or more individuals” (Creswell, 2003). A case study qualitative approach allowed the researcher to have a detailed understanding on how developmental projects funded from the MDF are executed, and the level of inputs sorted for from the beneficiary communities of such projects.

3.3 Study Area

The Tarkwa Nsuaem Municipality (TNMA) is one of the twenty-two (22) Metropolitan/Municipal and District Assemblies in the Western Region of Ghana. It was set up by Legislative Instrument 1886 in the year 2008. The Municipality located within the S/W/E Zone and has an average temperature, between 26°C and 30°C in August and March respectively. The Municipality accounts one of the highest rainfall patterns in Ghana.
Geographically, TNMA lies between Latitude 5°18'23.18"N & Longitude 1°59'5.06"W and shares borders with Prestea Huni-Valley District to the North, Nzema-East District to the West, Ahanta-West District to the South and Mpohor Wassa East District to the East. (tnma.gov.gh)

Population wise, TNMA has a population of 90,477, of which 46,662 representing males and 43,815 females. This is according to the 2010 population and housing census (wrcc.gov.gh). In terms of land size, TNMA covers a total land area of 978.26 sq. km.

The Municipality has six (6) main Local Administrative areas known as Urban/Area Councils, comprise of Benso Area Council, Simpa Area Council, Nsuta Area Council, Dompim Area Council, Nsuaem Area Council and Tarkwa Urban Council. (tnma.gov.gh)

The Tarkwa-Nsuaem Municipality is tactically placed in order to conduct commercial activities with all the four districts it shares boundaries with.

Tarkwa is the capital for the Municipality. Which doubles as a host to mining giants like, Goldfields Ghana Limited, AngloGold Ashanti-Iduapreim mine and Ghana Manganese Company. As a result of the existence of these giant mining companies and the strategic location of the municipal, thousands of people travel far and near to Tarkwa in search of job whiles others visit the town to render special jobs to the companies.
3.4 Target population

Study population of a research is best described “as a group of people, with at least one shared characteristic which differentiates the group from other groups of people”. (Best & Kahn, 2006)

The research population was generated from the National level and at the Local level of governance. The National level is represented by the Administrator of the Minerals Development
Fund (MDF) and the National Coordinator of the MDF. The Tarkwa-Nsuaem Municipal Assembly represent the Local level population.

The Administrator and the National Coordinator of the Minerals Development Fund were selected for the reason that they are the principal officers in the implementation and monitoring of the MDF.

Tarkwa-Nsuaem Municipal Assembly (TNMA) was chosen for the study for the fact that it plays host to a significant number of large mining activities and is one of the Municipalities that receives a substantial amount of mineral royalties distributed to Metropolitan, Municipal and District that have communities that host mining companies.

Summarily, the research targeted the principal members within the Municipality who are in charge of the planning, disbursement of funds, development and the recipients of the mineral royalties at the local level. These were the Planning Officers, Finance Officers, Budget Officers, Project Officers, Assembly Members, Chiefs and residents of the Tarkwa-Nsuaem Municipal Assembly.

3.5 Sample Size

The sample for the study was made up of both males and females. The Administrator of the Minerals Development Fund together with the National Coordinator of the Fund were interviewed. At the local level eight (8) respondents were interviewed. These comprised the Planning Officer, Finance Officer and three (3) Assembly Members of mining affected communities. Three (3) focus group discussions (FGDs) made up of ten (10) community members were also held in Tarkwa-Banso, Brahabebove and Teberebie to gather the views of residents.
3.6 Sampling Technique

For the reason that “generalisation in a statistical sense is not a goal of qualitative research, probabilistic sampling is not necessary or even justifiable in qualitative research” (Merriam, 2009). Non-probability sampling was therefore the technique of choice. Non-probability selection methods comprise convenience, volunteer, purposeful and snowball sampling. Purposeful sampling technique was adopted for this study. The choice of the purposeful sampling is suitable to this study in which the student desires to determine, comprehend and to acquire in-depth knowledge. Patton (2002), as quoted in Merriam (2009) contends, “the logic and power of purposeful sampling lies in selecting information-rich cases for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry, thus the term purposeful inquiry”.

Therefore, the decision of the researcher to adopt the purposeful sampling technique based on certain desirable features that are essential to this research work was the best.

3.7 Data Collection Instrument

Two methods of data collection were adopted for this study. Unstructured interviewing was used to collect data from key informants with the aid of interview guide. Also, Focus Group Discussions (FGDs) were used to collect data from the focus group discussants.

To complement the interviews, the study also adopted the document analysis technique. Documentation can appear as exterior and interior scrutiny of documents, for example, memos, reports, paper articles, fiscal reports are utilised for gathering of the information (Bhatacherjee, 2012). The study analysed disbursement documents the Minerals Development Fund National
Secretariat, financial reports from the TNMA reports the Ghana Extractive Industries Transparency Initiative (GHEITI) from the year 2008 to 2016, as well as publications from Civil Society Organisations (CSOs).

The usage of multiple methods permitted the researcher to complement one method with others to thwart partiality and acquire sufficient accurate data.

### 3.8 Ethical considerations

In data gathering, issues of ethics are considered very critical. The investigator is thus morally duty-bound to protect the privacy and secrecy of the participants who take an interest in the study (McMillan & Schumacher, 2011). Thusly, before data gathering from the selected sample, consent was sought from the chosen institutions and people for the research work.

Respondents for the research were duly informed about the motivation behind the research, and they were requested to partake in the study willingly. Privacy and anonymity issues were also discussed with the respondents.

Participants of the study were accordingly guaranteed of privacy of the data divulged and were permitted to participate in the investigation wilfully. Information was likewise kept in secret as per the arrangements enshrined in the university’s code of ethics.

### 3.9 Data analysis

Interviews conducted in the vernacular were translated during the transcription. Data were collected with the aid a recorder to ensure clarity when transcribing data. To ensure the safety of the data collected, data from the recorder were backed up on an external drive and a flash drive.
The data analysis was done in two forms. The data obtained from key informant interviews and FGDs were transcribed, typed and coded into the NVivo version 10 software. Data reduction and reorganisation was done and emerging themes analysed with the use of discourse and narrative analysis methods.
CHAPTER FOUR

ANALYSIS AND DISCUSSION

4.1 OVERVIEW

This chapter deals with the presentation and discussion of the primary data from the field. The data covers the projects undertaken by the TNMA through the MDF, the implementation process of the Fund by the TNMA and the community members’ involvement in the implementation process. The analysis of the data was done based on themes derived from the objectives for the study.

4.2 PROJECTS EXECUTED UNDER THE MDF FUNDING

This subsection focuses on the first objective for the study. It seeks to identify the various projects executed under the Fund by the TNMA. This is showcased in the object of the Fund and the categorization of projects the TNMA has executed through the MDF.

4.2.1 The Object of the Minerals Development Fund (MDF)

The object of the Minerals Development Fund as spelt out in the MDF Act, 2016 (Act 912) is to provide the money resources to the immediate advantage of mining affected communities, holders of interest in land, as well as traditional and local government authorities within mining areas. Consequently, section 5 of Act 912 has outlined the beneficiaries of the Fund. Section 5 states:

5. “For the purpose of achieving the object of the Fund, moneys for the Fund shall be applied to relevant activities that the Board may determine, to

a) redress the harmful effects of mining on affected communities and persons;
b) *promote local economic development projects and alternative livelihood projects in the communities affected by mining activities;*

c) *undertake minerals related research and development of capacity in human resource for mining institutions and institutions that train manpower for the regulatory institutions;*

d) *undertake projects aimed at promoting the mining sector;*

and

e) *support the policy planning, evaluation and monitoring functions of the Ministry in respect of mining related activities”.*

### 4.2.2 Classification of Projects funded through the MDF

Mineral royalties disbursed to Metropolitan, Municipal and District Assemblies are supposed to be used for development purposes in the mining affected communities and to mitigate the adverse impacts of mining on the communities and the environment (GOG, 2013)

Moneys received as royalties by the Tarkwa-Nsuaem Municipal Assembly have been utilized to embark on numerous development projects as spelt out in the Municipal’s reports. These are Educational Infrastructure, Local Government Projects, Waste Management, Health Infrastructure and Sanitation (Latrines).

Tables 4.1 and 4.2 carry information on the expenditure heads of the MDF by the TNMA for 2012 and 2014.
Table 4.1: Tarkwa Nsuaem: Utilisation of Mineral Royalty Receipts (2012)

<table>
<thead>
<tr>
<th>EXPENDITURE HEAD</th>
<th>APPR. BUDG EST. FOR 2011</th>
<th>ACTUAL FOR EST. FOR 2011</th>
<th>APPR. BUDG. EST FOR 2012</th>
<th>ACTUAL FOR EST. FOR 2012</th>
</tr>
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<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MDF PROJECTS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Government Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>76601  Construction of Roads</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>76601  Community Initiated Projects</td>
<td>60,000.00</td>
<td>4,863.00</td>
<td>70,000.00</td>
<td>71,717.00</td>
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<td>76603  Construction of Stores</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>76604  Construction of Assembly Buildings</td>
<td>0.00</td>
<td>65,565.57</td>
<td>120,000.00</td>
<td>223,983.00</td>
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<tr>
<td>76605  Rehabilitation of Ass. Buildings</td>
<td>52,000.00</td>
<td>53,733.75</td>
<td>70,000.00</td>
<td>125,567.72</td>
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<td>18,251.00</td>
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<td>7,550.00</td>
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<td>224,586.53</td>
<td>200,000.00</td>
<td>335,408.18</td>
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<td>76609  Compensation</td>
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<td>8,170.00</td>
<td>15,000.00</td>
<td>10,030.00</td>
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<tr>
<td>76610  Construction of Market Shed</td>
<td>89,100.00</td>
<td>10,035.00</td>
<td>738,629.88</td>
<td>12,694.10</td>
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<td>76611  Rehabilitation of Roads</td>
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<td>6,400.00</td>
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<td>76612  Purchase of Low Cost Hse</td>
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<td>0.00</td>
<td>0.00</td>
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<tr>
<td>76613  Construction of Culverts</td>
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<td>30,000.00</td>
<td>40,000.00</td>
<td>39,929.00</td>
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<tr>
<td>76614  Consultancy</td>
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<td>44,194.15</td>
<td>40,000.00</td>
<td>55,000.00</td>
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<td>76615  On-Going Projects</td>
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<td>115,021.34</td>
<td>170,000.00</td>
<td>273,378.67</td>
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<tr>
<td>76616  Construction of Mkt. Shed &amp; FAC</td>
<td>85,500.00</td>
<td>35,000.00</td>
<td>50,000.00</td>
<td>25,000.00</td>
</tr>
<tr>
<td>76617  Rehabilitation of Mkt. Shed &amp; FAC</td>
<td>16,000.00</td>
<td>6,326.00</td>
<td>16,000.00</td>
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<td>76618  Training &amp; Capacity Building</td>
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<td>45,911.00</td>
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<td>76619  Farmers Day Assistance</td>
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<td>0.00</td>
<td>5,000.00</td>
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<tr>
<td>76620  Immunisation Programme</td>
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<td>76621  STME Workshop</td>
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<td>9280.00</td>
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<td>76622  Development Plan</td>
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<td>38,000.00</td>
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<td>76623  Data Coll./CRT Of D. Base</td>
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<td>65,549.00</td>
<td>5,000.00</td>
<td>47,390.00</td>
</tr>
<tr>
<td>76624  Research Programme</td>
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<td>5,285.00</td>
<td>10,000.00</td>
<td>0.00</td>
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<tr>
<td><strong>SUB TOTAL</strong></td>
<td><strong>477,200.00</strong></td>
<td><strong>773,219.00</strong></td>
<td><strong>1,627,629.88</strong></td>
<td><strong>1,334,637.23</strong></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDUCATIONAL PROJECT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>76701  Const. Of C/Room BLKS</td>
<td>413,300.00</td>
<td>61,990.47</td>
<td>463,000.00</td>
<td>150,547.94</td>
</tr>
<tr>
<td>76702  Rehab. Of C/Room BLK</td>
<td>3,750.00</td>
<td>21,563.10</td>
<td>95,000.00</td>
<td>60,012.78</td>
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<tr>
<td>76703  On-Going Projects</td>
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<td>8,000.00</td>
<td>0.00</td>
<td>14,880.00</td>
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<td>76704  Prov. Of School Furniture</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>76705  Educational Assistance</td>
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<td>3,000.00</td>
<td>1,800.00</td>
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<td>1,894.00</td>
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<td><strong>SUB TOTAL</strong></td>
<td><strong>446,225.17</strong></td>
<td><strong>146,495.97</strong></td>
<td><strong>561,000.00</strong></td>
<td><strong>229,144.02</strong></td>
</tr>
<tr>
<td></td>
<td>WATER &amp; SANITATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>76801</td>
<td>Ext. of water supply</td>
<td>20,000.00</td>
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<td>25,000.00</td>
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<tr>
<td>76802</td>
<td>Const. of B. hole/H.D. W</td>
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<td>5,056.96</td>
<td>0.00</td>
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<td>76803</td>
<td>Const. of water closet. T</td>
<td>165,500.00</td>
<td>10,584.93</td>
<td>136,500.00</td>
</tr>
<tr>
<td>76804</td>
<td>Const. Of aqua Privy T</td>
<td>135,000.00</td>
<td>0.00</td>
<td>140,000.00</td>
</tr>
<tr>
<td>76805</td>
<td>Const. Of KVIP toilets</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>76806</td>
<td>Purch. Of refuse container</td>
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<td>0.00</td>
<td>120,000.00</td>
</tr>
<tr>
<td>76807</td>
<td>Push/clear &amp; disp. Of ref</td>
<td>28,000.00</td>
<td>89,453.00</td>
<td>60,000.00</td>
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<tr>
<td>76808</td>
<td>Purch. Of refuse truck</td>
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<td>60,000.00</td>
<td>0.00</td>
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<tr>
<td>76809</td>
<td>Const. of incinerators</td>
<td>24,000.00</td>
<td>0.00</td>
<td>80,000.00</td>
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<td>76810</td>
<td>On-going projects</td>
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<tr>
<td></td>
<td>SUB TOTAL</td>
<td>558,500.00</td>
<td>201,585.39</td>
<td>561,500.00</td>
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<tr>
<td></td>
<td>OTHER CAPITAL PROJECTS</td>
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<td></td>
</tr>
<tr>
<td>7646</td>
<td>International Lab. Org</td>
<td>3,000.00</td>
<td>0.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>76901</td>
<td>Counterpart funding</td>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>76902</td>
<td>Rural electrification</td>
<td>85,000.00</td>
<td>3,145.00</td>
<td>80,000.00</td>
</tr>
<tr>
<td>76903</td>
<td>Disaster &amp; Emergency Relief</td>
<td>0.00</td>
<td>11,818.00</td>
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</tr>
<tr>
<td>76904</td>
<td>M’TCE of comm. Equipment</td>
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</tr>
<tr>
<td>76905</td>
<td>Contingency</td>
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</tr>
<tr>
<td></td>
<td>SUB TOTAL</td>
<td>88,000.00</td>
<td>50,683.00</td>
<td>85,000.00</td>
</tr>
</tbody>
</table>

Source: Researcher’s construct based on GHEITI Reports of the Accumulation & Reconciliation of Mining Sector Payments and Receipts.
4.2 Tarkwa-Nsuaem Municipal Assembly – 2014 Royalty Utilisation

<table>
<thead>
<tr>
<th>NO</th>
<th>EXPENDITURE DETAILS</th>
<th>AMOUNT (GHC)</th>
<th>% OF TOTAL EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Water and Sanitation</td>
<td>452,415.00</td>
<td>68.71</td>
</tr>
<tr>
<td>2.</td>
<td>Waste Management</td>
<td>176,326.62</td>
<td>26.78</td>
</tr>
<tr>
<td>3.</td>
<td>Repairs and Maintenance of vehicles and Equipment</td>
<td>2,875.00</td>
<td>0.44</td>
</tr>
<tr>
<td>4</td>
<td>Rehabilitation of Assembly building</td>
<td>17,919.71</td>
<td>2.73</td>
</tr>
<tr>
<td>5</td>
<td>Stakeholders meeting</td>
<td>8,960.00</td>
<td>1.36</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>658,496.33</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


4.2.3 Observation

The recipients of the projects must be the mining affected communities just as it has been spelt out in section 5(a) of Act 912, however, this is not the situation in TNMA. According to GHEITI 2012-2013 report on the mining sector, the “Tarkwa Nsuaem Municipal Assembly did not allocate funds from the mining royalties for the enhancement health delivery in the municipality”. The report went further to indict the TNMA of committing Ghc 1,334,637.23 representing 53% of the Assembly’s annual disbursement to finance what it called “Local Government Projects”. These comprised cost-items such as funding for the Farmers Day celebration, procurement of office furniture, acquisition of low-cost housing units, consultancy, among others. The TNMA spent Ghc
229,144.12 on Educational Projects; the allocation for Water and Sanitation was Ghc 773,732.68 and what the assembly termed “Other Capital Projects” was Ghc 156,193.13. This is collaborated by the data captured in Table 4.1 above.

Similarly, the 2014 GHEITI report on the mining sector found (Tarkwa-Nsuaem Municipal Assembly short of allocating funds from the royalties to Health Delivery. Mining operations generate environmental as well as health issues in host communities. The practice of using chemical substances like mercury and cyanide contaminate the air, water and soil in those communities producing public health risks. From Table 4.2, Tarkwa-Nsuaem Municipal Assembly in 2014 committed Ghc 452,415.00 representing 68.71 into Water and Sanitation Projects. Also, the TNMA allocated Ghc 2,875.62 (0.44) and Ghc 17,919.71 (2.73) to Repairs and Maintenance of vehicles and equipment, and the rehabilitation of assembly building respectively. Ironically, allocations for the mitigation of the direct impacts, (that is, health concerns) was missing. So, for a Municipal Assembly to fail to allocate funds to mitigate these health concerns for two consecutive years, then utilisation of the MDF is questionable.

4.3 IMPLEMENTATION OF THE MDF AT THE MUNICIPAL/DISTRICT LEVEL

This subsection pays attention to the manner in which the Funds received from the MDF has been applied in the Tarkwa-Nsuaem Municipality. It explicitly takes a gander at amount received by the Tarkwa-Nsuaem Municipal as mineral royalties from the year 2008 to 2016 and the procedure of how the spending is determined. Also, the section looks at the processes through the Fund has been expended.
4.3.1 Mineral Royalties received by TNMA from 2008 to 2016

Table 4.3 shows the amount of money disbursed by the Office of the Administrator of Stool Lands to the Tarkwa-Nsuaem Municipal Assembly from the Mineral Development Fund (MDF) from the year 2008 to the year 2016. In total, the TNMA received 12,178,837.41 Ghana Cedis out of an expected amount of 15,739,883.99 as their share of the mineral royalties. Based on the data available in the table 4.3 below, there was no disbursement of mineral royalties for the year 2013.

Table 4.3: Royalties received by TNMA from the MDF yearly, from 2008 to 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Due (GHS)</th>
<th>Amount Received (GHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,296,491.43</td>
<td>1,276,304</td>
</tr>
<tr>
<td>2009</td>
<td>864,363.30</td>
<td>926,096.72</td>
</tr>
<tr>
<td>2010</td>
<td>1,425,083.85</td>
<td>952,091</td>
</tr>
<tr>
<td>2011</td>
<td>1,345,857.84</td>
<td>1,340,191</td>
</tr>
<tr>
<td>2012</td>
<td>2,900,376.04</td>
<td>2,741,956</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>1,311,719.01</td>
<td>1,829,269.69</td>
</tr>
<tr>
<td>2015</td>
<td>1,645,505.17</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>4,950,287.35</td>
<td>3,112,929</td>
</tr>
<tr>
<td>Total</td>
<td>15,739,883.99</td>
<td>12,178,837.41</td>
</tr>
</tbody>
</table>

Source: Researcher’s construct based on GHEITI reports on the Aggregation and Reconciliation of Mining Sector Payments and Receipts.
4.3.2 The MDF Implementation Process in TNMA

With respect to how the expenditure for the royalties received is decided, the study found out that, there are no criteria or guidelines controlling the implementation process. Decisions on how the Fund should be implemented are therefore grounded on the usual forecasting approach of the Municipal Assembly. This encompasses conducting needs assessment with the mining affected community members via a public forum, prioritize the needs based on general request of the community members and then incorporate those needs into their medium-term development plans. Thus, the use of the fund is based on the municipal medium-term development plan. This claim was collaborated when the Municipal Planning Officer was interviewed on how the decisions on the use of the fund are arrived at.

“We customarily undertake needs assessment with the communities and the communities come out with their needs and we rank with them and that goes into our medium-term development plan (MTDP). We therefore pick the projects based on the prioritized needs of the community and we use the mineral fund” (Planning Officer of TNMA: 10th June, 2019).

The Municipal Assembly also develops a composite budget in alignment with the MTDP which serves as a manual for the determination of projects at a specific time. The Municipal Finance Officer has this to say when he was being interviewed,

“We have budget for the use of mineral royalties and this informs the choice of projects on whether we would be using it for example to build schools or feeder roads” (TNMA Finance Officer, 10th June, 2019)
4.4 Community Members involvement in the utilisation of the MDF

This subsection looks at issues of both organisational and community participation in the processes of the MDF implementation in their areas and their reflections stemming from this process.

4.4.1 Involvement in various stages

Community participation can roughly be described as the partaking of people in a community in developmental projects to resolve their own problems. A functional community participation involves, needs appraisal, planning, assembling, training, implementation, and monitoring and evaluation.

The involvement of key stakeholders in any endeavour at all levels of activities is a situation that is desirable for a sustainable implementation of any project or programme. Three key stakeholders were identified in this process, these comprise the community people themselves, the Traditional authority and the local government authorities represented by the Municipal Assembly officials.

It was generally agreed that everybody that needed to be involved must take part in the various stages of the implementation process. Some participants of the FGD said they sometimes saw people around, doing one activity or the other and sometimes taking part in meetings but they were unclear about the identity of the people or what they might be discussing about. In some occasions, the meetings were held between the community leaders such as the chief, Assembly member or the Member of Parliament. The leaders then organised the communities to inform them of the outcomes of the meetings. Also, it was noted further that community people will just be invited to a communal labour where their labour is required as contribution towards executing one project or the other.
4.4.2 Engagement with the community members

To ascertain the truth or otherwise of the data obtained from the municipal officers in the inclusion of community members in the execution of developments funded through the MDF, focus group discussions (FGDs) were conducted in communities affected by mining. Also, key informants were interviewed. The data obtained from the interviews and FGDs uncovered that most of the members of the mining affected communities have no knowledge of the existence of such interventional Fund. Therefore, it is assumed that those community members made no input on decisions about what projects that are of essence to the affected communities and must be embarked on using the royalties received. In addition, those members who have knowledge about the Fund argued that they did not partake in the decision-making process with respect to the utilisation of Fund.

In communities affected by mining, such as Tarkwa-Banso and Brahabeome, when the researcher inquired about their knowledge about the existence of the mineral’s development fund, the answer from the community people were emphatically no. One of the respondents said:

“There is no development in this place. Development is visible which can be seen by all including your good self” (FGD: 14th June, 2019)

This demonstrates that community members are of the view that they have not profited from the Fund in terms of development. A section of the community members even doubted the existence such a Fund meant for the execution of development projects in their community. Some of the residents opined that if it is true that there is such money like that, then the Assembly Members have an obligation of reporting to them. One of the respondents was of the view that:
“I don’t think the money even comes in the first place. But if what you saying is true. We have elected an Assembly Member to represent our community, Banso-Anyinase electoral area at the Assembly. Then, he has not told us about the existence of such a facility. This implies that he’s not being truthful to us” (FGD: 14<sup>th</sup> June, 2019).

4.4.3 Engagement with Assembly Members

Opposing what the community members revealed, some of the Assembly Members from the affected communities were of the view that they were involved on how mineral royalties are implemented by the Municipal Assembly. Their inclusion is usually at the planning stage and post-implementation. To buttress this view, one of the assembly members from the mining affected communities revealed that;

“Before the allocation is received, we budget on how we would use the money and prioritise what projects the money would be used for” (Assembly Member: 18<sup>th</sup> June, 2019).

Budgeting for projects under the Fund has not been done separately from what the Municipal refer to as “Local Government Projects”. This implied that, there are no segregation of projects undertaken from the MDF and other sources of funding such as the District Common Fund and the Internally Generated Funds (IGFs). This was revealed by one of the assembly members from the mining affected communities. He opined that:
“When we are planning for the projects, there are some projects that go under mineral royalties and some also go under the district common fund and the IGF”
(Assembly Member: 18th June, 2019).

4.4.4 Observation

It was observed from the data obtained that, even though there have been generally several different levels of meetings with residents of the mining affected communities, the participation of the communities was mostly limited to information dissemination and to a smaller extent consultation. However, the decision-making process for the use of the fund is entirely done by the Municipal Assembly without the involvement of the residents of the mining affected communities. Also, access to information on the existence of the MDF and what it is meant for is not known to the people. This situation has meant that final decisions on the Fund’s utilisation has usually be carried out with minimal influence of the perspectives and situations of the mining affected communities. This confirms the point made by Marfo et al, (2012) that decision on the use of the mineral revenues has been seized by the elite in the community.
CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This study looked at how mining has contributed to development in Ghana by using the MDF as case study in the Tarkwa-Nsuaem Municipal Assembly. The study specifically looked at the various projects executed through the MDF, how the Fund is being utilised by the TNMA, and how the affected communities are involved in the utilisation of the mineral royalties receive. This chapter is the final section of this research and it presents the summary, the recommendations for the way forward and conclusion for this work.

5.2 Summary

The study was undertaken with three objectives. These objectives were to:

- To identify the various developmental projects undertaken in Tarkwa-Nsuaem Municipal assembly under the MDF;

- To examine how the MDF is being implemented by the Tarkwa-Nsuaem Municipal Assembly to promote development; and

- To assess the level of participation by the beneficiary community people.

With regards to the first objective, even though there are number of projects that have been undertaken and some are ongoing, there are no clear segregation of those projects funded from the MDF and those that funded from other sources. Again, a greater percent of projects executed from
the mineral royalties are outside the core intervention areas that are spelt out in the Minerals Development Act, 2016 (Act 912).

Furthermore, with respect to the second objective, due to the absence of guidelines to provide a framework on how the Fund is to be implemented at the local government level, the implementation of the mining royalties by the TNMA is usually based on the normal planning system of the assembly. The TNMA aligns the Fund’s projects with the assembly’s Medium-Term Development Plans (MTDP) which is then captured in their composite budget.

With regards to the level of community participation in the utilisation of the mining royalties, it was determined that, even though there were generally several different levels of meetings, the participation of the affected communities was mostly limited to information dissemination and to a smaller extent, consultation. This situation has meant that final decisions on the projects were usually done with minimal influence of the viewpoints and conditions of the mining affected communities.

5.2 Recommendations

The following constitute the recommendations arrived at the end of the study. The study recommends that:

a) Government through the Ministry of Lands and Natural Resources and the Mineral Commission should endeavour to enact the necessary Regulations (Legislative Instruments) that will ensure the transparent and efficient implementation of the Minerals Development Fund Act, 2006 (Act 912).
b) the government must take immediate steps to amend the law which provide legal backing to the Fund (that is, Act 912) because it is fraught with ambiguities and gaps which cannot be properly redressed by just a Regulation; and

c) Guidelines that inculcate strict adherence to community participation in the preparation of the MDF expenditure by the MMDAs must be developed and fully implemented by the GHEITI and OASL.

d) It is also strongly recommended that, future research works will build upon this work by delving into areas of a comparative study of developmental gaps within mining affected communities.

5.3 Conclusion

In Ghana, until 2016 when the Mineral Development Fund (MDF) Act, 2016 (Act 912) was passed, successive governments relied on the Executive decision of 1993 to transfer mining revenues to compensate for the impacts of mining on host communities. Even though the object of the Fund was for all its intent and purposes to mitigate the negative impacts associated with mining operations, the evidence from areas such as Obuasi, Prestea, and Tarkwa shows the objectives are yet to be achieved. Communities lack the basic infrastructure including access to good roads and potable water.

The utilisation of revenues accrued as mining royalties over the past decade have not been able to address the basic needs and problems associated with mining within the Tarkwa-Nsuaem Municipal Assembly. Various reports from the Ghana Extractive Industry Transparency Initiative (GHEITI) confirm to the challenges surrounding the utilisation of the mineral royalties in Tarkwa-
Nsuaem Municipal which are largely results from weak alignment between royalties received and utilisation, weak planning around mineral revenues as well as inadequate systems to support the traceability and accountability of the revenues received.

Community participation with regards to the utilisation of royalties accrued from the Minerals Development Fund has been reduced to information sharing. This constitute the last three of the seven levels of participation defined by Pretty and Vodouhe, (1997).
REFERENCES


APPENDIX A

INTERVIEW GUIDE

Thank you for your participation in the study. In our interview we are going to discuss Mining and Development in Ghana: An Examination of Community Participation in the utilization of the Minerals Development Fund (MDF). I will be tape recording and taking notes of our conversation. Before we begin do you have any questions?

At the conclusion of the interview

I want to thank you for your time and discussion throughout the interview. Will you be available to participate in a follow-up discussion to confirm the accuracy and intent of the interview summary and my notes?

Do you have any questions?

PART I.

Overview of Mineral Development Fund

(The Administrator of the Fund)

1. Can you please provide a brief overview of the Minerals Development Fund, including the Object of the fund, sources of money for the fund, application of the fund and disbursement of the Fund?

2. What are the criteria for the approval of projects for which the Fund is being disbursed?
3. How do you track the implementation process, including value for money audit of beneficiary Assemblies?

4. What types of enforcement measures and/or remedies are available to recover costs from the local governments that misapply the fund disbursed to them?

5. Anything you want to add?

PART II.

Implementation of the Minerals Development Fund

(Tarkwa-Nsuaem Municipal Assembly)

1. What are some of the projects the Municipality has executed from the mining royalties and the MDF?

2. How long has your Municipality been receiving royalties from MDF?
   a. How has the royalties received being utilised?
   b. Do you set it aside for specific expenditures?
   c. What is the nature of these expenditures?

3. What informs the choice of these expenditures?
   a. Assembly budget?
   b. Community needs assessment?
   c. Community appraisals?
4. How does the local community participate in initiating and implementing developmental projects executed by the Municipality under the MDF?

5. What are some of the strategies that you employ in the community participation process?

6. Are there any internal controls to make sure funds are accounted for?

7. Are they operated as separate accounts?

**PART III.**

**Community Participation in the Developmental Projects**

*(Selected Mining Communities)*

1. Please list the different types of participation structures in your community (e.g. community meetings, meetings with government officials, community organisation meetings).

2. How regularly are community meetings held?

3. How often do you attend community meetings?

4. Consider the following statement: Community people are always fully consulted every time developmental projects are implemented. To what extent do you agree to that?

5. Do you think there was sufficient participation of community members in the planning, initiation and execution of developmental projects in the community? Please explain your point of view.
6. What are your recommendations for more effective community participation structures or mechanisms (such as community meetings, ward meetings etc.)?