Mining and its Impacts on Land and Agriculture in Ghana
By Dr. Ibrahima AIDARA –
OSIWA Economic Governance Program Manager

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Why Mining is a Priority for West Africa?

- Mining is an increasingly important part of several national economies within the West Africa region (1).

- West Africa is Africa’s poorest region despite growing mining operations (2).

- Weak capacity of states to adequately regulate and monitor mining operations or to transparently invest the revenues generated by the industry.

- Mining has potential to fund development efforts (3)
Overview of mining in Ghana

- **Gold mining in Ghana – The Jungle Booms (1)**
  - 1st Jungle Boom: “Started in 1892 and peaked in 1897;
  - 2nd Jungle Boom – started in 1925;
  - 3rd Jungle Boom – started in the mid 1980s

- **Conditions and attraction for the 3rd Jungle Boom (2)**
  - Strong desire of government to attract FDI through generous incentives

- **Incentives For Attracting Multinational Mining Companies (3)**
  - Weak and liberal regulatory framework
Overview of mining in Ghana (ctd)

Mining Regulatory Framework in Ghana

(i) The Minerals and Mining Act (Act 703) permits foreign mining companies to retain not less than twenty five (25%) of its foreign exchange earnings in offshore accounts (Companies could negotiate a retention of about 80-90% of earnings from foreign exchange in offshore accounts)

(ii) Exemption from payment of customs import duty in respect of plant, machinery, equipment, and accessories imported for mining.

(iii) Generally weak environmental standards. There are no legally binding environmental standards e.g. EPA accepts that there are no laws on cyanide spillages.

(iv) Inadequate protection of community rights in the mining law e.g. whilst the 1992 Constitution of Ghana makes provision for citizens to go to High Court on original Jurisdiction on Compensation issues, in the case of mining, compensation grievances are supposed to be made to the Minister responsible for mines first without direct recourse to High Court.
Ghana’s economy grew by 14.3% in 2011, led by the increased prices of solid mineral commodities like gold and receipts from oil.

Mining industry accounts for about 7% of the country’s GDP.

Mining (particularly gold) has long been Ghana prime export surpassing cocoa (main agricultural product). And mineral export made up to 41% of total merchandised export in 2011, contributes about 17.5% of Ghana’s total corporate tax earnings and 27.6% of government revenue.
Contribution of mining to the economy

- FDI inflows into the mining sector in Ghana from 1983 to 2011 are estimated to be over $11 billion.

- Mining sector employs only 28,000 people in the large scale mines and mines’ support services, or about 1% of the labor force in Ghana, against 60% for agriculture.
Mining, land, and agriculture

- Large-scale mining is a growing challenge to small-scale agriculture in Ghana and there is an intense competition between agriculture and mining for land.

  i) In Ghana, nearly 30% of the country’s land surface has been licensed to more than 200 mining companies for their activities, including at least 2% of the country’s dwindling forest reserves.

  ii) In the Tarkwa and Prestea mining areas alone, agricultural land is about 1083 square kilometers and this constitutes 46% of the total land area. The area is dominated by mining with six companies mining in the area. By implication, most of these agricultural lands are now concessions of mining companies. Many farmers have lost access to agricultural lands.
iii) In the Eastern region of Ghana, mining is competing with cocoa farmers and destroying forest reserves including the Ajenua Bepo Forest Reserve.

(iv) Rural communities that have been left without access to land, good quality water, adequate infrastructure and the promised employment from the mining, e.g. Newmont Ahafo mine in Ghana would displace about 20,000 farmers. Already, 10,000 farmers have been displaced in the first stage. Goldfields Ghana Ltd displaced a total of 30,000 farmers in 5 years;

iv) Lack of adequate compensation: for instance in Ghana, a mining company is offering $9 to a farmer to buy out a cocoa tree worth at least $20 per year over the tree's economic life of 30-50 years;
• Decrease in agricultural productivity

  o According to Fernando M. Aragon and Juan Pablo Rudz (2012) in their research on “mining, pollution and agricultural productivity”, between 1998/99 and 2005, agricultural productivity decreased by almost 40% in areas closer to mines.

  o The reduction in productivity is paralleled by a similar decline in agricultural output.

  o The negative effects extend to areas within 20 km from mines.
Mining affected communities: more vulnerability

- **Limited public participation and accountability**
  - Lack of political will to institutionalize active public participation in policy making. Governments see themselves as only accountable to international interests and use their power to impose mining projects on their citizens.

- **Influence of IFIs, companies and foreign governments.**
  - Exert considerable influence on national development priorities and decisions, and often impose natural resource extraction as a priority.

- **Lack of binding principles on Corporate Social Responsibility.**

- **Inadequate accountability system and lack of accountability of local authorities.**
Mining affected communities: more vulnerability

- Lack of power and adequate resources for local authorities to fully implement decentralization laws.

- Growing CSO movement, yet limited capacity.
  - CSOs are limited by their access to resources, their organizational ability and their capacity to effectively influence policy reform.

- Communities’ lack of access to justice.
  - For example in Ghana, successive surveys in the late 90s found that 54% of the people believed court proceeding were always influenced by money.
  - There is a limited autonomy and independence of Judiciary institutions and the institutionalized corruption.
  - Domestic legal provisions for dealing with mining infractions remain largely obsolete and not in tandem with present day realities.
Mining and Women

- Women’s contributions and frequently ignored in decisions affecting the family and community.

- Women rarely benefit directly from jobs created by mining, and from compensation payments (1).

- Greater work load for women (2).

- Women are particularly vulnerable to the impacts of pollution from mining operations (3).
Mining legacies in Ghana

- Creation of ghost towns
- Problems of rock waste dumps
- Acid mine drainage
- Abandoned pits
- Water stress
- Socio-economic problems of resettled communities
 OSIWA Interventions

✓ OSIWA EI overall program goal is to support participatory, transparent and accountable management of natural and public resources to ensure equitable distribution of national wealth, sustainable and environmentally-friendly development.
Some achievements

• Brought discussion of natural resource governance issues to national and regional forefront
• Promoted CSOs platforms for regular engagement with targeted and relevant government bodies on EI issues
• Worked with CSOs to create coalition, platforms to represent communities in negotiations and policy dialogues
• Media training and investigative journalism on EI related issues resulting in increased reportage on EI
• Empowering communities and litigations
• Contribution to Africa Mining Vision and ECOWAS Mining Directive
• EITI and PWYP
Challenges

- Mobilizing communities for accountability
- Very low capacity of mining communities.
- Weak Regulatory agencies in the face of powerful industry which use to play technical games to avoid being held accountable for environmental and social damages
- The challenge of having a holistic approach to EI advocacy by combining economic empowerment and protection of community rights.
- Need to strengthen the capacity of CSOs to meet the emerging challenges of the EI boom.
- Limited resources
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