# MINERALS DEVELOPMENT FUND (AMENDMENT) BILL, 2026

# MEMORANDUM

**PREPARED BY**


**LIVELIHOOD & ENVIRONMENT GHANA (LEG)**



**WITH SUPPORT FROM**

**STAR-GHANA FOUNDATION**


**APRIL, 2026**

## MINERALS DEVELOPMENT FUND (AMENDMENT) BILL, 2026

MEMORANDUM

The object of the Bill is to amend the Minerals Development Fund Act, 2016 (Act 912) to provide for improved allocation of mineral royalties, timely disbursement utilisation of mineral royalties, enhanced accountability and related matters.

Mineral resources in Ghana are vested in the State in trust for the people of Ghana. Mineral resources generate mineral royalties and constitute an important source of revenue for national development.

The multiple institutions involved in the allocation and disbursement of the mineral royalties tend to reduce the size of the community share of the mineral royalties. In the current arrangement the Fund and Office of the Administrator of Stool Lands make legally determined disbursement to cover administrative expenses of managing the mineral royalties. Before disbursing the 50% to the Office of the Administrator of Stool Lands, the Fund is required to disburse not more than 2% of the 20% that it receives. Also, before payment to the communities, the Office of the Administrator of Stool lands is required to disburse 10% of the amount received from the Fund. These deductions effectively diminish the size of the final amount received by the Stool, Traditional Authority and the District Assembly. The involvement of many institutions in the allocation, distribution and payment of the mineral royalties creates bureaucracy along the disbursement chain with the potential for delay in the payment of the community level portion of the mineral royalties.

The Bill seeks to ensure equitable distribution of royalties which would lead to an imminent development of mining communities, strengthen local governance and decentralised development and bring forth inclusive participation.

*Clause* 1 of the Bill seeks to amend section 16 of Act 912 to restructure the Mining Community Development Scheme by designating the District Assembly as the lead implementing authority responsible for planning, budgeting and execution of projects under the Mining Community Development Scheme.

*Clause* 2 amends section 19 of the Act 912 to redefine the role of the Local Management Committee. The *clause* gives the Local Management Committee the mandate to operate under the authority of the District Assembly and perform functions in accordance with approved district developments plans and guidelines issued by the Office of the Administrator of Stool Lands.

*Clause* 3 amends section 21 of Act 912 to revise the disbursement formula of the mineral royalties. The disbursement formula of the mineral royalties is in percentages, and the beneficiaries are the Office of the Administrator of Stool lands, landowners, district assemblies and traditional authorities and stools.

*Clause* 4 amends Act 912 by introducing a new section 21A to provide timelines for the disbursement of mineral royalties. The Fund shall, within fourteen days after receipt of mineral royalties, disburse the amounts due to the beneficiaries of mineral royalties

Finally, the Bill, in *clause* 5, introduces a new section 25A and 25B on the utilisation of mineral royalties and publication of reports respectively. Section 25A requires the Fund to develop and publish guidelines for the utilisation of mineral royalties in consultation with the Office of the Administrator of Stool Lands whereas section 25B places an obligation on the Fund to publish quarterly reports on receipts and disbursement of mineral royalties.

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*Minister responsible for Mines*

Date:………………….

**MINERALS DEVELOPMENT FUND (AMENDMENT) BILL, 2026**

ARRANGEMENT OF SECTIONS

*Section*

**MINERALS DEVELOPMENT FUND (AMENDMENT) BILL, 2026**

A

BILL

ENTITLED

**MINERALS DEVELOPMENT FUND (AMENDMENT) ACT, 2026**

**AN ACT** to amend the Minerals Development Fund Act, 2016 (Act 912) to provide for improved allocation of mineral royalties, timely disbursement utilisation of mineral royalties, enhanced accountability and related matters.

PASSED by Parliament and assented to by the President:

**Section 16 of Act 912 amended**

1. The Minerals Development Fund Act, 2016 (Act 912) referred to in this Act as the "principal enactment" is amended by the substitution for section 16, of

"**Establishment of the Mining Community Development Scheme**

16. (1) There is established by this Act a Mining Community Development Scheme for each mining community.

(2) Where before the commencement of this Act, a Mining Community Development Scheme exists in a mining community, that Scheme shall be deemed to be a scheme established under subsection (1).

(3) The Mining Community Development Scheme shall be implemented by the

(a) District Assembly within which the mining activity occurs; and

(b) Minerals Commission through the decentralised district structures.

(4) The District Assembly shall serve as the lead implementing authority responsible for

(a) planning,

(b) budgeting, and

(c) execution of projects

under the Mining Community Development Scheme.”.

**Section 19 of Act 912 amended**

2. The principal enactment is amended by the substitution for section 19, of

**“Local Management Committee**

19. (1) Without limiting section 11, the Board shall establish a Local Management Committee for a mining community.

(2) A Local Management Committee established under subsection (1) shall comprise

(a) the Chief Executive of the District Assembly of the mining area for which the Local Management Committee has been established or the representative of the Chief Executive;

(b) traditional rulers of the mining community;

(c) one representative of

(i) the District Office of the Minerals Commission nominated by the Chief Executive Officer of the Minerals Commission, and

(ii) each mining company within the district;

(d) one representative of an identified women’s group in the community; and

(e) one representative of an identified youth group in the community.

(3) A person in the community appointed by the Board in consultation with the District Assembly and traditional authorities of the mining community shall be the chairperson of the Local Management Committee.

(4) The person appointed under subparagraph (i) of paragraph (c) of subsection shall be the secretary to the Local Management Committee.

(5) A Local Management Committee shall operate under the authority of the District Assembly and perform functions in accordance with approved district developments plans and guidelines issued by the Office of the Administrator of Stool Lands.

(6) Despite subsections (1) and (3), the management of a Mining Community Development Scheme, deemed to be established under this Act by subsection (2) of section 16 shall serve as the Local Management Committee of that Scheme.”.

**Section 21 of Act 912 amended**

3. The principal enactment is amended by the substitution for section 21, of

"**Disbursement of the Fund**

21. (1) The Board shall disburse moneys from the Fund through the bank accounts of the Fund as provided under this section.

(2) The Board shall disburse moneys from the Fund for goods and services that form part of the Annual Expenditure Programme.

(3) Subject to paragraph (e) of section 7, the moneys received by the Fund from mineral royalty payments made to the Ghana Revenue Authority shall be disbursed as follows:

(a) fifteen percent of the moneys to the Office of the Administrator of Stool Lands out of which three percent is for administrative expenses of the Fund;

(b) five percent of the moneys to recognised landowners;

(c) seventy percent of the moneys to the District Assembly for local development; and

(c) ten percent of the moneys to the traditional authorities for the maintenance of culture and traditional authorities.".

**Section 21A inserted**

4. The principal enactment is amended by the insertion after section 21, of

**"Disbursement timelines**

"21A. The Fund shall, within fourteen days after receipt of mineral royalties, disburse the amounts due to the beneficiaries of mineral royalties.".

**Sections 25A and 25B inserted**

5. The principal enactment is amended by the insertion after section 25, of

**"Utilisation of mineral royalties**

25A. (1) The Fund shall in consultation with the Office of the Administrator of Stool Lands, develop and publish guidelines for the utilisation of mineral royalties.

(2) The guidelines shall include

(a) minimum allocation to development projects;

(b) ceilings on administrative expenditure;

(c) transparency and reporting requirements; and

(d) mechanisms for community participation.

**“Publication of reports**

25B. (1) The Fund shall publish quarterly reports on receipts and disbursement of mineral royalties.

(2) District Assemblies and Traditional Authorities shall publish annual reports on utilisation.

(3) The reports under subsection (1) and (2) shall be made accessible to the public.”.

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