Mining Community Benefits in Ghana: A Case of Unrealized Potential

Andy Hira and James Busumtwi-Sam, Simon Fraser University

ahira@sfu.ca, james_busumtwi-sam@sfu.ca,

A project funded by the Canadian International Resources and Development Institute[1]

December 18, 2018

[1] All opinions are those of the authors alone

TABLE OF CONTENTS

Appendices

Dedication

Dedicated to the hard working men and women in Ghanaian mining communities, may they find a better day.

Acknowledgements

We would like to thank Jordon Kuschminder of Independent Social Performance. He was instrumental in helping to guide the field research to a successful conclusion. We gratefully acknowledge the financial backing of the Canadian International Resources Development Institute (CIRDI) and Simon Fraser University (SFU) to complete the project. We acknowledge the research assistance of Denis Dogah and Raphael Ochil at SFU. We also acknowledge the logistical support and research facilitation provided by our consultant in Ghana and his team of field research assistants. This project is part of a larger project on community benefits agreements led by Dr. Eric Werker of the SFU Business School. We thank Dr. Werker for his support of the project, including comments on earlier drafts. We also thank all of the participants and facilitators in Ghana from the private, public, and non-profit sectors, and the citizens who took time to answer our interview questions and fill out our surveys. In particular, we thank several participants, whom we shall not name to protect their anonymity, for detailed feedback on the draft report. The analysis, conclusions, and recommendations contained in this study are those of the authors alone.

List of Abbreviations

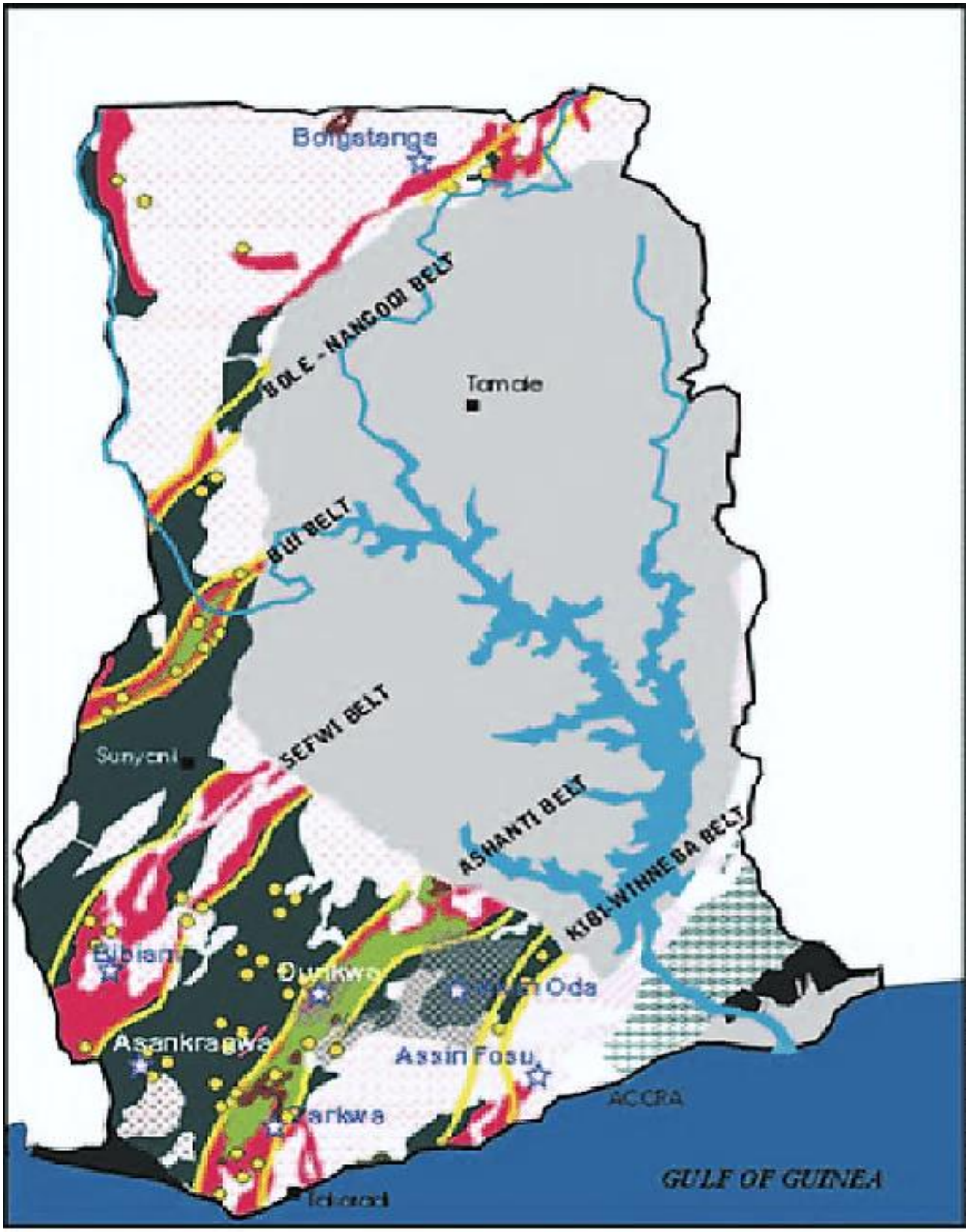
AGA	AngloGold Ashanti
AMV	African Mining Vision
ASM	Artisanal and Small Scale Mining
AU	African Union
CBA	Community Benefit Agreement
CDS	Community Development Scheme
CHRAJ	Commission on Human Rights & Administrative Justice
CIRDI	Canadian International Resources Development Institute
CPP	Convention Peoples Party
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DA	District Assembly
DCE	District Chief Executive
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency International
EMDP	ECOWAS Mineral Development Policy
EPA	Environmental Protection Agency

ERP	Economic Recovery Program
GHEITI	Ghana Extractive Industries Transparency International
GRI	Global Reporting Initiative
GSD	Geological Survey Department
GSR	Golden Star Resources
ICMM	International Council for Mining and Metals
MDF	Minerals Development Fund
M&E	Monitoring and Evaluation
MMDAs	Metropolitan, Municipal & District Assemblies
MMSD	Mining, Minerals & Sustainable Development
MNC	Multinational Corporation
MSG	Multi-Stakeholder Group
NDC	National Democratic Congress
NERG	National Environmental and Resource Governance Program
NGO	Non-Governmental Agency
NPP	New Patriotic Party
OASL	Office of the Administrator of Stool Lands
PM&E	Participatory Monitoring & Evaluation
PMMC	Precious Minerals Marketing Corporation
PNDC	Provisional National Defence Council
PNP	Peoples National Party
PP	Progress Party
RCC	Regional Coordinating Councils

Map of Ghana showing location of Mining Communities

Source: J. Busumtwi-Sam

Map of Ghana showing major Gold Belts



Source: https://www.researchgate.net/figure/Map-of-Ghana-showing-gold-deposits-and-the-centres_fig1_240675501

Executive Summary

This project is designed to examine the overall benefits of mining to local communities in Ghana through the lens of community benefits agreements (CBAs) in order to make policy recommendations to the Government of Ghana. CBAs are an increasingly common approach by mining companies to gain a "social license to operate" in local communities, upon whom they depend for property rights, workers, contractors, and a stable environment in which to operate. CBAs are well-intentioned vehicles to lay down in formal detail the benefits that the company agrees to provide to the community, both in regard to financial amounts pledged and in the delivery of certain types of employment, procurement, and projects. They are promises by mining companies to go beyond the usual arrangements with national and regional governments for the payment of leases, royalties, and taxes to operate mines. In some countries, such as Canada, they are required, but in Ghana they are voluntary. As will be discussed in a forthcoming study by the authors notes, CBAs generally lack any clear monitoring and evaluation system. Monitoring and evaluation (M&E) are well-accepted parts of development project practice, yet they have not yet been incorporated to any discernible degree into CBA design and practice. Such systems would be vital to provide evidence that mining companies are fulfilling their promises to the communities in which they operate.

In order to better understand the benefits of CBAs to mining communities, we situate our study within the broader context of the political economy of mining and mining governance in Ghana. Within this context, we visited three mining sites in Ghana in April 2018, Newmont Ahafo, Golden Star in Bogoso, and AngloGoldAshanti in Tarkwa. All three sites are enormously important for mining in Ghana, particularly in terms of employment and revenue generation, and thus provide a potentially important vehicle for local development. Moreover, all three companies have won corporate social responsibility awards. The most prominent of these is Newmont, whose efforts at transparency and community benefits have garnered many international accolades.[2] Unlike other studies of mining in Ghana, our approach was not site specific, but comparative, to see if there were patterns across sites in terms of community perceptions about benefits. To this end, we conducted interviews in and commissioned a survey of residents in three communities hosting mining operations, Kenyasi (Newmont), Prestea/Bogoso (GoldenStar Resources), and Tarkwa (AngloGold Ashanti).

Our interviews and survey data revealed surprising consonance across all three communities. The perception towards mining, even with the arrival of CBAs, remains predominantly negative and frustrated. Regarding CBA priorities, generating employment and education/training received the greatest priority across all three cases. Data across the three cases revealed strong perceptions that mining had brought little to no benefit to the communities. Also consistent across the three cases were strong perceptions of poor relations between communities and mining companies. The data revealed several 'deficits' in the governance of

[2] For an in depth study of the Newmont CBA, see the 2018 CIRDI Report, "Implementing the Ahafo Benefit Agreements" by Boayake et al, found at: https://cirdi.ca/report-implementing-the-ahafo-benefit-agreements/

CBAs, manifest in perceptions of inadequate representation and accountability between the community and company and the community and the government, and perceptions of a cozy relationship between the government and mining companies. Each community expressed a strong preference for third-party M&E of CBAs and greater community participation in M&E, indicating a lack of trust in mining companies, which in turn reflects perceptions of the lack of transparency in the implementation of CBAs by mining companies. We also found the existence of a 'governance paradox' wherein communities look to mining companies as a primary source of public services and public goods, which creates unrealistic community expectations, undermines the building of local government capacity, and erodes the systems of accountability necessary for democratic decision-making.

While we would not wish to dismiss the very important contributions of mining to the national economy, and particularly to revenues, we believe that public policy, and legal-regulatory measures can ameliorate the situation by better channeling those revenues at the local level towards more sustainable and diversified employment creation, which is the overriding source of frustration for locals. We also believe that better communication among the national, regional, and local levels is vital, and that the governance systems for benefits allocation and monitoring and evaluation needs to be far more transparent.

We offer a set of broad policy and legal-regulatory recommendations and a set of recommendations specific to CBAs, directed at the appropriate national, regional, and local government authorities in Ghana.

Broad Recommendations:

- Implement fully the 2014 *Minerals and Mining Policy of Ghana, and* the 2016 *Minerals Development Fund Act* (MDF); develop a long-term plan integrating mining into a wider vision of a diversified high income, high wage economy.
- Make CBAs a mandatory, legally binding obligation for all large-scale mining operations; re-orient CBAs towards building local governance capacity rather than provision of public infrastructure and public services.
- Strengthen the mining fiscal regime (higher royalties and taxes).
- Strengthen environmental regulations; ensure that the EPA is well resourced; adopt a continual monitoring system for environmental indicators at all mine sites.
- Engage in a pro-active campaign to engage artisanal and small-scale mining (ASM) in meaningful dialogue; integrate ASM into national mining policy; develop a national policy and strategy to ensure that women participate in and benefit from mining.

Specific Recommendations on M&E of CBAs:

- Address CBA governance deficits – enhance the responsibility, accountability and transparency of CBAs, and enhance community representation and participation in CBA decision-making.

- Adopt international best practices by providing guidelines for mandatory benefits agreements, Free and Prior Informed Consent by communities for projects, and participant-oriented, truly independent monitoring and evaluation.
- Create a socioeconomic baseline for each community and monitoring should take place to see how mining is affecting the general welfare. Clear and publicly available indicators and targets are a must to assess and demonstrate progress.
- M&E frameworks for CBAs should include both quantitative data and qualitative data, incorporate participatory methods, and enhance downward as well as upward accountability.
- All projects should undergo due diligence in regard to both procurement and hiring.
- Direct efforts to build local capacity for monitoring and evaluation by neutral experts who are trusted by the community and paid out of general funds, rather than the mining company, to avoid the appearance of a conflict of interest.
- Give mining communities better access to legal representation to defend their rights.

We therefore strongly recommend rethinking the relationships among the mining companies and national, regional, and local governments to create more government-directed and accountable long-term development plans to better utilize and invest mining proceeds. We believe that with a basic policy reorientation along these lines, the situation for local development and political support for mining can dramatically improve.

1. Introduction

1.1 Overview of the Study

This study examines some of the most pressing issues around mining in Ghana from the perspective of community benefits agreements (CBAs). Our initial mandate was to focus was on the monitoring and evaluation (M&E) of CBAs globally, with selected cases studies, including Ghana. However, we found very few M&E systems are built into CBAs. This forced us to take a step back and ask how such a fundamental element of project management could be strengthened in a context where many livelihoods, the welfare of communities, and large sums of money are in play. This study, therefore, starts from the recognition that CBAs do not operate in a vacuum – the broader political-economic and governance arrangements of a country/community embed such agreements. A better understanding of the M&E of CBAs requires an approach that examines the political-economic context in which mining occurs, the public policy, legal-regulatory, and institutional framework for mining governance, as well as the priorities set for mining community projects and the implementation of those projects (whether efficiently, effectively and responsively). It also requires an examination of the indicators used to measure both the process and outcomes of delivering benefits to the community more generally, and the community's expectations and perceptions of the processes and outcomes of benefit agreements.

Our goal in this study, therefore, is not simply to review the mining regime in Ghana, but to examine it in such a way as to make recommendations regarding public policies, laws and regulations that will be more effective in harnessing mining benefits, which we provide in our conclusion. There are few guidelines in this area, and very limited coverage of mining benefits in Ghana. Not only did we find uneven coverage of mining companies in the academic literature and company reviews (with Newmont receiving the greatest attention) we also found that the literature in general is more technical, preferring to examine issues from a legal perspective, or focusing on specific topics such as water quality, rather than looking at broader governance issues and relationships among stakeholders, including power relations. In this sense, we believe that one of the major contributions of our report is to move beyond technical approaches to examine more closely community expectations and perceptions of the benefits of mining, as well as broader relations among key stakeholders in the governance and monitoring/evaluation of mining benefits in Ghana.

The study is comprised of 11 chapters grouped into four parts. This introductory first chapter provides an overview of the study and outlines briefly our research methods and data collection activities. Part one, which includes chapter 2 and 3, establishes the context for our subsequent analysis of mining CBAs in Ghana. Chapter 2 highlights key aspects of Ghana's political economy relevant to a better understanding of mining in the contemporary period. Chapter 3 examines mining's role in Ghana's political economy, identifies the public policy, legal, regulatory, and institutional framework governing mining, the key actors (public and private) involved in mining, the mining fiscal regime, and the distribution of mining revenues.

Part two, comprising chapters 4 and 5, further contextualizes our study by discussing contemporary issues in mining governance based on an extensive survey of the relevant literature. Chapter 4 discusses CBAs and the importance of integrating effective M&E systems into them. Chapter 5 discusses some key issues raised in the literature regarding mining governance in Ghana.

Part three, comprising chapters 6-10, is the core of our study. Chapters 6, 7, and 8, examine each of our three case studies – Newmont Mining (Ahafo), Golden Star Resources (Bogoso/Prestea) and AngloGold Ashanti (Iduapriem/Tarkwa). Here, we provide brief historical information about each company's operations in Ghana and their CBAs, and present our research findings in depth – the interviews and survey results – for each of the three cases. Chapter 9 compares the CBAs and M&E practices of the three companies, and chapter 10 presents observations from our interviews in Accra with government officials, associations representing mining companies and mineworkers, and NGOs. Part four, comprising chapter 11, summarizes our research findings and concludes our study with recommendations specific to improving the M&E of CBAs, and broader recommendations on improving mining governance in Ghana. We see this report as a starting rather than finishing point, and hope it can spark conversations for improved benefits management.

1.2 Research Methods and Data Collection Activities

Our methodology consisted of a classic comparative case study of three well known mine sites in Ghana – Newmont (Brong-Ahafo), Golden Star (Bogoso-Prestea), and AngloGold Ashanti (Iduapriem-Tarkwa). Our main data sources included a survey and well-developed elite interview techniques (semi-structured and unstructured) by three veteran researchers. Other data sources included reports and studies on mining in Ghana by various public and private agencies, and available agreements between mining companies and communities. We situate our work within the extensive literature on mining in Ghana, including those of a more extensive previous Canadian International Resources Development Institute (CIRDI) study of the Newmont Ahafo mine, which we synthesize into a public policy format designed to diagnose underlying issues. While the Newmont case has received a lot of attention in line with its international awards, the literature on the other two cases is scant.

The purpose of comparative research is to find patterns of similarity and difference, and thereby discern systemic factors that work within and across the cases. We had an extremely thin budget, and for our field research trip from April 9-23, 2018 relied upon a local consultant with reputed connections to the three mining communities and companies. Our elite interviews sought to include a broad cross-section of key stakeholders in each community, including the mining companies and their foundations, traditional authorities (chiefs), national and local government officials, and community leaders and organizations related to mining, particularly those representing youth and women. We conducted interviews in the field (Kenyasi, Bogoso/Prestea and Iduaprem/Tarkwa) and in Accra. Although Newmont did not grant us an interview, we did interview officials of AngloGold Ashanti and Golden Star. The local consultant and his people in the field helped us contact interviewees; we also drew on our previous experience and contacts, and the 'snowball' technique of asking interviewees for suggestions on other people to interview. We sent the interview questions ahead of time to the consultant for wider distribution and gave confidentiality documents and copies of the questions to interviewees upon request.

After asking the standard questions, we allowed open-ended questions, elaborations, and additional comments, which added a great deal to our understanding of the context. To protect our sources, we anonymized the interviewees, putting only the general organization to which they belonged, and used no recording devices. Because we were a three-member team (plus interpreter), we were able to compare our interview notes. We found almost all interviewees to be remarkably candid and open, and to our surprise, there was a high level of consistency across all stakeholders and all cases, as we relay below. All the interviews were conducted in-person, at the interviewees' offices/residences, except one interview with a Golden Star official in Bogoso conducted by video conference from Accra, and the written responses to our interview questions provided by the Commission on Human Rights and Administrative Justice (CHRAJ).

We also contracted the local consultant to hire research associates to conduct in-person surveys in each of the three mining communities on our behalf. We did not have time to conduct the survey ourselves and felt that the hiring of local research associates by the consultant would bridge the language and cultural gaps and thereby allow respondents to be more forthcoming. We spent time with the researchers explaining the importance of maintaining confidentiality, ensuring a representative sample, and managing questions that might need interpretation. We pilot tested the survey and it worked well. We did approximately 100 surveys in and around Kenyasi, 65 in Bogoso/Prestea, and 35 in the Tarkwa area. As our interviews focused on elites, including community leaders, we expressly asked our research associates to find a public place where random passersby could be selected to complete the survey, with guarantees of anonymity. The associates found local markets and public transport hubs to be the best places. We also asked them to ensure that they obtained a cross section of the population, including different representations of gender, age, occupation, and income levels in the survey. To our surprise, no survey of communities regarding benefits agreements, let alone monitoring and evaluation, had occurred prior to our survey; we therefore believe the survey is an important contribution of our study. We have attached the interview and the survey questions as appendices to this report.

PART 1: POLITICAL ECONOMY OF MINING IN GHANA

The two chapters in Part 1 (chapters 2 and 3) provide the context for our study by highlighting briefly those aspects of Ghana's political economy, modern history, and governance arrangements relevant to a better understanding of mining and mining CBAs.

Chapter 2 Ghana's Political Economy

2.1 Society and Economy

Ghana is located in the West African region of sub-Saharan Africa. It has a population of about 29.6 million (2018) of which 72% are Christian, 18% Muslim, and the rest follow traditional beliefs. English is the official language in Ghana. The main linguistic groups include Akan (48%), Mole-Dagbon (17%), Ewe (14%), Ga-Adangbe (7%), and Gurma (6%). Ghana has been urbanizing rapidly over the last decade; approximately 54% of its population lives in urban areas. According to the 2014 Ghana Demographic and Health Survey (Ghana Statistical Service), 53% of households in Ghana have access to improved drinking water in urban areas, while 69% in rural areas do. Only 14% of households have access to an improved, not shared sanitation facility. Life expectancy is 61.5 years. An estimated 75% have access to electricity. Approximately 85% of households own mobile phones. There is no long-term census data, with the first major one conducted in 2010, and the next due in 2020.

According to the 2010 Population & Housing Census (GSS 2013), from 2000-2010, the unemployment rate for the country declined from 10.4% to 5.3%. However, estimates place the actual unemployment rate at more than twice this amount largely due to hidden unemployment, and the high level of informal sector activity (Baah-Boateng 2013). Indeed, the informal sector constitutes the main source of livelihood for most Ghanaians, accounting for at least 86% of total employment in 2010. The high level of informal sector employment in Ghana links with education and literacy. In 2010, 28.5% of the 15.2 million working age population had no formal education, while 48% could boast of basic education, and 20% of women and 9% of men had no education. Access to education is much higher in urban areas. Only 3% have had university education while those with secondary education or better accounted for 21% (Ghana Statistical Service, 2013). The literacy rate according to the 2010 census was 73.2% for males and 61.2% for females. Approximately 29% of the population lives below the poverty line, and income disparities are large, with per capita incomes in the northern regions being considerably lower than other regions.

From a reasonably high GDP growth of over 6% in the early 1960s, Ghana recorded a steady decline in GDP growth during the 1970s and actually experienced negative growth in the 1975-1979 period. By the early 1980s, the economy had entered a steep recession, which prompted the government to implement an IMF and World Bank supported structural adjustment program known as the Economic Recovery Program (ERP) (Busumtwi-Sam 1996; Baah-Boateng 2013). GDP growth in Ghana averaged about 5.2 % per annum between 1984 and 2010, and it became a lower middle-income country after rebasing its national accounts in 2010 and changing the base year from 1993 to 2006. This rebasing pushed the country's annual average growth to 8.3% between 2007 and 2012 (Alagidede et al 2013). In 2011, Ghana's economy grew above 14.5%, the fastest growing economy in the world that year, which was largely due to commercial oil production that began in 2010. GDP per capita (PPP) was approximately $4600 in 2017 (World Bank 2018). According to numbers released by the Ghana Statistical Service in April 2018, Ghana's economy is estimated to have expanded by 8.5% in 2017 from 3.6% in 2016 driven by the mining and oil sectors (World Bank 2018, http://www.worldbank.org/en/ country/ghana/overview#2 [accessed May 2, 2018]). The IMF and World Bank project the country's economic growth for 2018 to be between 8.3% and 8.9% owing to rising oil prices and expanded production (NY Times 2018, https://www.nytimes.com/2018/03/10/world/ africa/ghana-worlds-fastest-growing-economy.html [accessed March 28, 2018]).

Agriculture comprised 44.7% of the country's labour force (by occupation), industry 14.4%, and services 40.9% in 2013. Agriculture accounts for 22% of GDP and the main agricultural products include cocoa, rice, cassava, corn and shea nuts. Cocoa is the leading export crop, and Ghana is the world's second largest cocoa producer with 1.6 million farmers growing it. Ghana is also a large producer of timber. The main industries include mining, light manufacturing, aluminum smelting, food processing, and oil/gas extraction (World Bank 2018). Ghana is one of the world's largest gold producers and has sizeable reserves of manganese, bauxite, and diamonds. Employment in mining was about 14,000 workers or under 1% of the labor force in 2009. Oil production began in 2010 following its discovery offshore in 2007. Gold and cocoa exports, and remittances ($3 billion in 2016), are the major sources of foreign exchange (OEC Atlas Media 2016). The country's top exports in 2017 were Gold ($9.4 billion), Cocoa Beans ($2.21 billion), and Crude Petroleum ($1.19 billion). Ghana's top export destinations in 2016 included Switzerland ($4.26 billion), the UAE ($3.4 billion), India ($1.48 billion), and China ($1.2 2billion). The top import origins are China ($2.7 billion), the United Kingdom ($1.05 billion), the United States ($904 million), and India ($595 million) and Belgium-Luxembourg ($505M) (OEC Atlas Media, MIT, https://atlas.media.mit.edu/en/ profile/country/gha/ [accessed July 2018]).

2.2 Modern History & Governance

The Portuguese were the first Europeans to arrive in the coastal region that became known as the 'Gold Coast' in the late 15th century to trade in gold and ivory, followed in the 16th, 17th, and 18th centuries by the Danes, Dutch, Swedes, French, and British. Although gold and ivory were initially the most important commodities, the transatlantic slave trade soon supplanted them to become the dominant economic activity well into the early 19th century. The British formally established the Gold Coast as a colony in 1874 after purchasing Dutch and Danish possessions, covering the southern portion of the region. It was not until after the fourth Anglo-Ashanti war in 1902 that the British incorporated the Ashanti and Northern Territories into the Gold Coast colony.

Following a plebiscite that incorporated British Togoland, and general elections in 1956, the Gold Coast achieved political independence in 1957, the first sub-Saharan Africa country to do so, and was renamed ‘Ghana’ with Dr. Kwame Nkrumah as Prime Minister. Under the 1960 constitution Ghana became a republic with Nkrumah as President, followed by the 1964 constitution that created a one-party state under Nkrumah and the Convention Peoples Party (CPP). A military coup toppled Nkrumah’s CPP in 1966, and after a period of military rule, multi-party democratic elections held in 1969 ushered in the country’s Second Republic under Dr. K. A. Busia’s Progress Party (PP). Another military coup in 1972 overthrew the Second Republic, and the country was again under military rule until 1979. Two coups occurred during this period – a ‘palace coup’ in 1978 that saw incumbent military leaders replaced by other senior officers within the same regime, and a rebellion by junior officers led by flight lieutenant J. J. Rawlings against senior officers in June 1979. Multi-party elections in October 1979 ushered in Ghana’s Third Republic under Dr. Liman’s Peoples National Party (PNP). The Third Republic, however, was very short lived; toppled in a military coup again led by Rawlings in 1981. Rawlings and his Provisional National Defence Council (PNDC) ruled Ghana until the end of 1992, and the country again transitioned to constitutional government in its Fourth Republic in January 1993 (Busumtwi-Sam 1996).

2.3 Governance in the Fourth Republic, 1993-2018

After a post-independence history that witnessed five military coups, Ghana’s Fourth Republic, inaugurated in 1993, has proven to be a very stable and resilient constitutional democracy with an independent judiciary, high levels of civil liberties and press freedoms, and a vibrant civil society. Seven rounds of multi-party elections have occurred (1992, 1996, 2000, 2004, 2008, 2012, and 2016) with the 2000, 2008, and 2016 elections resulting in peaceful transfers of power between the two major political parties – the National Democratic Congress (NDC) and New Patriotic Party (NPP). Ghana is a unitary state with a presidential system of government. The 1992 *Constitution of the Republic of Ghana* provides for various levels and mechanisms of governance.

National Governance

At the national level, the 1992 Constitution separates powers among an executive, a legislature, and a judiciary. The executive consists of the President and Vice-president, elected for four-year terms, and Council of Ministers (cabinet) nominated by the President and approved by Parliament. The President is head-of-state, head-of-government, and commander-in-chief of the armed forces. A Council of State counsels and advises the executive on the exercise of its authority. The legislature is a 275-member unicameral Parliament with members elected for four-year terms. Parliament has the supreme authority to pass laws, normally by a simple majority, but is restricted in passing legislation dealing with taxes, public funds, and public debt. Legislation must have the assent of the President to become law, which in effect gives the latter a qualified veto over all bills except those to which Parliament attaches a vote of urgency or passes by a two-thirds majority following a presidential request for reconsideration. The Judiciary consists of a hierarchy of courts with the Supreme Court of Ghana at the apex, which has broad powers of judicial oversight and review over the executive and legislature. The Ghana legal system combines Ghanaian common law, parliamentary statutes, and customary law. The 1992 Constitution also established a Commission on Human Rights and Administrative Justice (CHRAJ), a quasi-judicial body mandated to promote human rights, enhance accountability and transparency in governance, and combat corruption.

Regional and Local Governance

The 1992 Constitution's 'Decentralization and Local Government' provisions devolve authority, responsibility, and resources from the national/central government to the regional and district levels. Reinforcing the constitutional provisions is the *Local Government Act* (Act 462) of 1993, which created various sub-national structures, with Regional Coordinating Councils (RCC) as coordinating bodies in each of the country's 10 regions, below which are 170 Metropolitan, Municipal or District Assemblies (MMDAs) and sub-district structures.[3] The RCC is the highest level of decentralized governance (Ahwoi 2010) comprising a Regional Minister and deputies, the Presiding Member of each MMDA, the Chief Executive of each district in the region, and two chiefs from the Regional House of Chiefs. The MMDAs function as the basic unit of local government, the main planning authority, and the fulcrum of administrative and developmental decision-making. MMDA's comprise the Metropolitan, Municipal or District Chief Executive, elected members (two-thirds), Members of Parliament (MPs) representing constituencies within the district, and members appointed by the President in consultation with chiefs and interest groups in the district.

Chieftaincy & Traditional Councils

The 1992 Constitution guarantees, and protects the autonomy of, the institution of chieftaincy and traditional councils based on customary law. While chiefs may be appointed to public office (e.g., as members of the Council of State) the constitution prohibits them from taking part in partisan politics. Chieftaincy constituted the main mechanism of governance in Ghana in pre-colonial times. During the British colonial era, chiefs became key instruments of 'indirect rule'

[3] A Metropolitan Assembly is a local government unit or area with population over 250,000. A Municipal Assembly represents a town with a population over 95,000. A District Assembly represents a settlement with a minimum population of 75,000 and a maximum of 95,000.

– decentralized structures of local governance and administration using traditional authorities to maintain law and order, collect taxes, settle disputes, etc. (Asamoah 2012). Successive governments since independence sought to regulate and modify the chieftaincy institution and its role in national and local governance.[4] Beginning in the late PNDC and early NDC era under Rawlings in (the late 1980s and early 1990s), chiefs again became important partners in the decentralization of political authority.

[4] For example, by retaining the right to recognize (and de-recognize) chiefs, taking over the administration of stool lands, and limiting their participation in local government, Nkrumah's CPP sought to circumscribe the authority of chiefs (Boafo-Arthur 2003)

Chapter 3 Mining in Ghana

3.1 Overview of Mining in Ghana

Ghana has substantial mineral resources. Gold, diamonds, manganese, and bauxite are the major minerals mined but the country also has unexploited deposits of iron ore, copper, chrome, nickel, limestone, quartz, and mica. Mining has played an important role in the political economy of the area now known as Ghana for centuries. In precolonial times, Ghana was an important source of the gold, extracted through panning and shafting techniques, transported across trans-Saharan trade routes. The search for direct access to this lucrative source of gold was what initially drew Europeans to the West African coast. Gold remained in the hands of the local populations well into the 1890s but with the imposition of colonial rule, the British took control of gold mining. Governments after independence became more involved in the mining sector beginning with the creation of the State Gold Mining Corporation in 1961 that acquired the assets of British mining companies, and the 1972 *Mining Operations Decree* (NRCD 132) that gave the government majority ownership (55%) in all mining operations. Throughout the 1970s and into the early 1980s, however, the output of mining, especially gold, fell steadily. After 1983, the PNDC government implemented a series of measures to increase output in the mining sector as part of its Economic Recovery Programme (ERP) including state divestment from, and privatization of, mining operations, new mining legislation, and the creation of a system of incentives to attract foreign investment to the mining sector.

According to the consulting firm TKG (2015, 12), mining in Ghana was valued at $38.65 billion in 2014, and its contribution to GDP increased from 2% in 1991 to 9.6% in 2015. Minerals are the leading merchandise export, accounting for 45.5% ($5.05 billion) in 2016, compared with 22.3% for cocoa and 12.5% for crude oil. Gold is easily the most important mineral, representing 95% of mineral exports and 43.4% of total exports for 2014. Of the total earnings from mineral exports in 2015 ($ 3.3 billion), gold accounted for $3.2 billion (96.68%), bauxite $41.06 million (1.24%), diamonds $4.22 million (0.31%) and Manganese $ 64.74 million (1.95%) (https://eiti.org/ghana#gold-production-tonnes [accessed July 29, 2018]). Gold production increased 77% from 1996-2008, to 2.8 million ounces (http://www.eservices.gov.gh/MINCOM/Pages/Investor-Guide.aspx, [accessed Mar. 19, 2018]).

In 2011, the mining sector accounted for 38% of total corporate earnings, 28% of government revenues, and 6% of GDP. As of the timing of the TKG report, Ghana had 19 operating mines, 40 projects in the feasibility stage, run by 150 companies. There are an estimated 10,503 formally employed in large-scale mining as of 2017 according to the 2018 Ghana Chamber of Mines Report. In addition, estimates suggest over 1,000,000 people were employed in artisanal and small-scale mining (ASM). ASM mining continues to make significant contributions to the country's foreign exchange earnings. For example, total ASM gold production increased from 2.2% in 1989 to 34% of national production in 2012, and ASM is responsible for all diamond mining in Ghana. It is important to note, however, that the more recent oil boom may reduce the relative significance of mining in Ghana. Although mining accounted for over 50% of FDI in Ghana in 2013, it only accounted for 1.1% of the labor force, indicating the capital-intensive nature of the sector (ICMM 2015, 5). Every $1 million of local procurement supports 105 jobs; however, the pay for mining jobs is substantially higher than other sectors (ICCM 2015, 7).

3.2 Mining Governance

Mining governance in Ghana encompasses the framework of public policies and programs, laws and regulations, institutions and agencies that establish the goals, principles, standards, and guidelines for, and responsibilities of, mining actors and operations in the country.[5] Mining governance also includes private actors/agencies, both in the corporate/for profit sector and the civil/non-profit sector. Mining communities are also important actors in mining governance.

Policies and Programs

The *Minerals and Mining Policy of Ghana*, completed in 2014 and launched in February 2016, provides the overarching policy framework for mining in Ghana. It sets out to consolidate various policies and programs on mining and guide governments' management of the mining sector with the principal objective of ensuring the country's sustainable development based on a set of twenty guiding principles (see appendix 4). The Ghana *National Resources and Environmental Governance Program* (NREG) was a five-year program, launched in 2008, that aimed to improve mining and forestry sector revenue collection, management, and transparency, reduce social conflicts in mining communities and improve support to ASM (http://www.fcghana.org/ index.php [accessed July 22, 2018]).

Ghana also subscribes to broader continental, sub-regional, and international policy initiatives on mining governance, including the *African Mining Vision* (AMV) of 2009 and its 2011 *Action Plan* developed under the auspices of the Africa Union (AU), and the Economic Community of West African States' (ECOWAS) *Mineral Development Policy* (EMDP) adopted in 2011. The AMV seeks to channel Africa's mineral resources to accelerate development and reduce the continent's poverty (AMV 2009). The EMDP aims to transform member states' mineral sectors into a tool for diversifying economic growth and achieving integrated development. Ghana became a member of the Extractive Industries Transparency Initiative (EITI) in 2003. The Ghana branch (GHEITI) aims to enhance due process, transparency and

[5] Stated briefly, a 'policy' sets out a government's goals/objectives and the principles to guide the realization of those goals. A 'program' is a policy set within a specified period. A 'law', in the form of a legislative instrument/statute or an executive decree, establishes binding principles, rules, and standards. 'Regulations' and 'institutions', created through policies and laws, provide the infrastructure that operationalizes, directs, controls, and supports the implementation and enforcement of policies and laws.

accountability in payments by mining and other extractive industry companies to governments and government linked entities (http://www.gheiti.gov.gh/site/ [accessed July 22, 2018]).[6] In March 2014, Ghana became a member of the *Voluntary Principles on Security and Human Rights* initiative, which aims to improve human rights protection in the extractive industry (http://www.mlnr.gov.gh/index.php/article-categories/136-the-voluntary-principles-on-security-and-human-rights-initiative [accessed September 14, 2018]).

Laws and Regulations

The principal legislative instruments establishing mining law in Ghana include the 1992 *Constitution of the Republic of Ghana*, the *Minerals and Mining Act* (Act 703) of 2006 (amended in 2010 [Act 794] and 2015 [Act 900]), which updated the 1986 *Minerals and Mining Law* (PNDCL 153), and the *Minerals Commission Act* (Act 450) of 1993. Also included is the 2016 *Minerals Development Fund Act* (Act 192), which updated the 1992 decree establishing the Minerals Development Fund (MDF). Together, these laws establish that minerals in their natural state are the property of the Ghanaian state, entitle the state to a 10% interest in any mining operation in country, outline the licensing of mining operations, and the powers and authority of regulatory institutions. They also specify the distribution of mining revenues, which we discuss in more detail in section 3.4 below. The *Precious Minerals and Marketing Corporation Law* (PNDCL 219) of 1989, applies to ASM operations and provides official channels for the marketing of gold and other minerals produced by such operations.

To give effect to and facilitate the implementation of the 2006 *Minerals and Mining Act*, six key regulations were adopted in 2012, including a set of General Regulations (LI 2173), and regulations addressing mining Support Services (LI 2174), Compensation and Resettlement ((LI 2175), Licensing (LI 2176), Explosives (LI 2177), and Health and Safety (LI 2182). Other laws relevant to mining in Ghana include the 2015 *Income Tax Act* (Act 896), legislation protecting the environment, forests, water bodies and water use, and customary law regarding land tenure. Others include tax law, contract law, corporate law, and administrative law (ICLG, 2018).

It is important to note that mining laws and regulations in Ghana do contemplate the creation of 'development agreements' between the government and mining companies (Article 49 of the 2006 *Minerals and Mining Act*) and the allocation of funds to promote development in mining communities (2016 *Mineral Development Fund Act*). The kinds of agreements and activities envisaged by these laws, however, are distinct from the CBAs established between mining companies and host communities that are the focus of this study. **Ghana has no laws and regulations specifically addressing CBAs, which remain voluntary and entirely at the discretion of mining companies.**

[6] The EITI is a coalition of governments, companies, civil society groups, and international organizations including the World Bank and G7/8, launched in 2002.

Government Institutions and Agencies

Mining falls under the Ministry of Lands and Natural Resources in Ghana, and more specifically the Minerals Commission (MinCom) within that ministry, which was established under the 1992 Constitution and the *Minerals Commission Act* of 1993 (Act 450). A Parliamentary Committee on Mines and Energy exists to exercise public oversight over the institutions mandated to formulate policies and regulate the industry. The Ministry of Lands and Natural Resources is responsible for policy formulation, and the MinCom, as the main promotional and regulatory body for the minerals sector in Ghana, is responsible for "the regulation and management of the utilization of the mineral resources of Ghana and the coordination and implementation of policies relating to mining" (http://www.mlnr.gov.gh/ index.php/agencies/minerals-commission). The Environmental Protection Agency (EPA), in managing the environmental impacts of mining, supports the MinCom. The MinCom also works with RCCs, MMDAs and chiefs in local areas to create regulations. The Precious Minerals Marketing Corporation (PMMC) purchases output from ASM.

The EPA, established in 1994 (Act 490), prescribes standards and guidelines, including mandating an Environmental Impact Assessment of mining operations. The EPA uses the Environmental Protection Rating Disclosure (AKOBEN) instrument to rate environmental performance using a colour scheme: gold, green, blue, orange, and red, to represent excellent to poor. Other government agencies include the Forestry Commission, the Geological Survey Dept., the Lands Commission (which approves new licenses), and the Land Valuation Board, an arm of the Lands Commission, which sets the land value of the concession. The Forestry Commission evaluates the likely damage to forests and related ecosystems and can recommend against licensing, and the Water Resources Commission creates water permits (Tsuma 2010, 61).

MMDAs and Traditional Authorities

MMDAs (Metropolitan, Municipal and District Assemblies), as the focus of planning and development initiatives within the communities they serve, play important roles securing the endorsement of, or objection to, applications for mineral rights in the community/district. The Assemblies are required to provide economic and social infrastructure in their districts from mining royalties that accrue to them, and are to ensure, through District Environmental Committees, that mining operations occur in an environmentally acceptable manner. District Assembles work closely with traditional authorities. Although generally not directly involved in mining, the chieftaincy institution and traditional councils strongly influence mining governance in Ghana.

The land tenure system in Ghana is an amalgam of customary rules and statutory overlays (Obeng-Odoom 2014).The 1992 *Constitution* recognizes customary law and explicitly places the management of 'stool lands' under customary jurisdiction. Over 80% of land in Ghana is classified as ‘stool land’ under the control of chiefs (who occupy customary ‘stools’ and ‘skins’), and the chieftaincy institution is involved in all large-scale land acquisition for mining (and other uses such as agriculture) through renewable leases of up 99 years’ duration for citizens (Obeng-Odoom 2014). Mining leases are normally granted for a maximum of 30 years, renewable only once for an additional 30 years. Customarily, communities own land and chiefs, as customary trustees, are supposed to hold an allodial interest in land in trust for the community. However, chiefs, especially in the southern and middle portions of the country, have gradually attained proprietary and jurisdictional authority over land resources (Obeng-Odoom 2014; Campion and Acheampong 2014).[7] The consent of chiefs is therefore required before the registration of any land transaction can occur. The national government, however, may compulsorily acquire land via legislation for use in the ‘public interest’ (Boafo-Arthur 2003). The Office of Administrator of Stool Lands (OASL) is the constitutionally mandated body responsible for paying royalties, rents and other monies accruing to stools/skins.

Mining Actors and Operations

The Ghana Chamber of Mines is the business association representing mining companies. The Mineworkers Union, organized under the Trade Union Confederacy, represents mineworkers. Ghana has 23 large-scale mining companies producing gold, diamonds, bauxite, and manganese, over 300 registered ASM mining operations, and over 90 mine support service companies. Structured pyramidically, a few large companies from Australia, Canada, South Africa, and the United States, with lesser investors from the United Kingdom, Norway, and China, dominate the Ghanaian mining industry (Amposah-Tawiah & Dartey-Baah 2011). Prior to 1983, most Ghanaian mining production was state owned, but following state divestiture and privatization undertaken as part of the IMF-supported ERP, the sector became largely foreign owned with the government holding a minority (10%) interest in most of the main active large-scale mines. Major gold mining companies include Gold Fields Limited of South Africa, which runs mines in Tarkwa and Damang, along with minor Canadian owner IAMGOLD. AngloGold Ashanti Ltd. of South Africa runs the Iduapriem/Tarkwa and Obuasi mines. Canadian Golden Star Resources Ltd. runs the Bogoso/Prestea and Wassa open pit mines. Newmont runs the Ahafo and Aykem mines, and Asanko Gold operates within the Asankrangwa Belt of the Kumasi Basin.

There is widespread ASM, reserved for Ghanaians over 18 years of age. In 2014, around 1.1 million Ghanaians participated directly in ASM operations, while a further 4.4 million were dependent on the sector for their livelihoods. The 2006 *Minerals and Mining Act*, which defines small-scale mining as “mining by any method not involving substantial expenditure”, requires aspirants to procure a license to mine an area up to 10 hectares of land for a duration of three to five years. In January 2017, the government instituted a ban on small-scale mining in an effort

[7] In the northern and upper regions of Ghana, chiefs only exercise jurisdictional authority over the people and are therefore limited in the control exercised over land allocation.

to mitigate negative environmental impacts and weed out non-Ghanaians operating illegal mines. Originally imposed for 6 months and extended in October 2017, the small-scale mining ban was lifted on December 17, 2018.

Mining Communities & Civil Society Organizations

Mining communities, which host mining operations, are in the frontline and endure the brunt of the effects of mining. They are supposed to benefit collectively from the royalties and rents paid to the District Assembles and the Traditional Authorities, and from the mining companies' CBAs. Civil society organizations (CSOs) operating within local mining communities and regionally/nationally seek to empower people in mining communities, improve their living conditions, and uphold their rights in hosting mining operations.

3.3 The Mining Fiscal Regime

The fiscal regime for mining in Ghana includes mining leases, mineral royalties, corporate income taxes, stabilization agreements between corporations and government, and other levies collected by local authorities. The key national legislation defining the mining fiscal regime is the *Minerals and Mining Act* of 2006 (Act 703), an update to the 1986 *Minerals and Mining Law* that provided tax incentives (related to capital write-offs) to reinvigorate foreign investment, following declines in sector activity from the 1970s. It sets out royalty payments and corporate tax rates. This royalty, levied every quarter on the market values of the mining company's gross output paid directly to the government, is the main source of revenue derived from gold mining. The 2006 Act reduced the maximum levy from 12 to 6%, with the minimum remaining at 3%. In 2011, Parliament raised the minimum to 5% for companies with no stability agreements (Kapstein and Kim 2011, 21). However, almost all contracts between the government and mining companies used the lower point of this scale, with royalty agreements being set at 3%. To derive a greater share of monies from the recent increase in gold prices, the 2006 *Minerals and Mining Act* was amended in 2010 (Act 794) and again in 2015 (Act 900), and now provides for a flat mineral royalty rate of 5%. The *Income Tax Act* 2015 (Act 896) imposes a mineral income tax of 35% on profits from mining operations. These operations are also to pay royalties of 5% of gross revenue.

In 2011, government reports indicated that mining companies paid a total of $131.3 million to the government as revenue, accounting for an estimated 14% of the country's total internal revenue (www.eiti.org). The Ghana Chamber of Mines, representing mining companies, publishes an annual report that gives some important statistical parameters for the industry. The 2016 report notes that the average price of gold for the year was $1,250/oz. The Chamber states that 71% of all realized mineral revenues of $3.25 billion in 2016 stayed in Ghana. Moreover, mines spent $1.01 billion on purchases of goods and services in Ghana, excluding diesel and power. Payments to the State totaled $327.2 million. Mining companies paid a total of 550 million cedis ($128.9 million using 12/31/2016 exchange rates) to the government in royalty payments. Figures for corporate income taxes, the other main payment to government, however, remains undisclosed.

3.4 Distribution of Mining Revenues

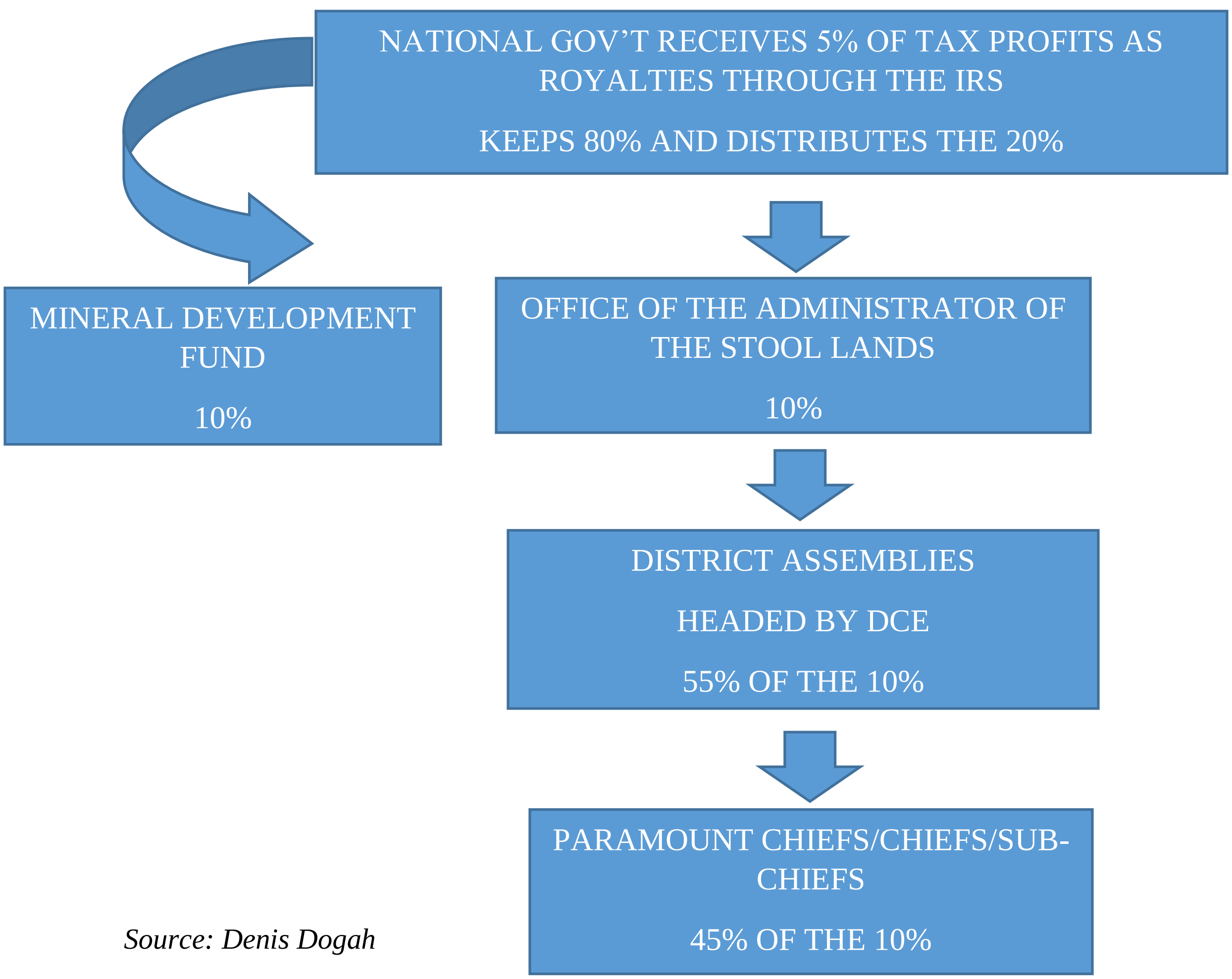
The Ghanaian Parliament passed the *Minerals Development Fund Act (Act 192)* in March 2016, an update to the 1992 decree establishing the Minerals Development Fund (MDF), to provide a clearer legal basis for the disbursement and management of mining royalties received by the government. The updated MDF aims to address the development challenges of mining communities by setting a higher proportion of royalties aside for development projects and introduces a mining Community Development Scheme (CDS) to sponsor socioeconomic development in mining communities or those affected by mining activities. The 2016 MDF is administered by a Board appointed by the President made up of representatives of some of the key government departments/ministries relevant to mining plus the Administrator of Stool Lands, a traditional ruler nominated by the National House of Chiefs, and one woman. The CDS is managed by a Local Management Committee made up of the Chief Executive of the district, traditional authorities in the community, one representative of the MinCom in the district, one representative of a community women's group, and one representative of a community youth group. As of the date of our study (December 19, 2018) the revamped 2016 MDF, however, was not fully operationalized.

The 2016 MDF is financed with 20% of mineral royalties received by the Ghana Revenue Authority, money approved by Parliament, grants, donations and gifts, and money from investment made by the board of the Fund. The funds are to be distributed as follows:

- 50% allocated to the Office of the Administrator of Stool Lands
- 20% allocated to Mining Community Development Scheme (CDS)
- 4% allocated to supplement mining operations of the Ministry of Lands and Natural Resources
- 13% allocated to Minerals Commission
- 8% allocated to Geological Survey Department (GSD).
- 5% allocated for research and training, with 40% of that 5% going to the GSD

The earlier (1992) version of the MDF was ostensibly used to help fund public mining sector institutions and for ad-hoc flagship projects in mining communities. The MDF supported public mining agencies, funded research, training and special projects aimed at promoting the mining industry, and where necessary supplemented the operating budget of the sector Ministry and institutions. Under the 1992 MDF arrangements, the flow of revenue worked as follows: 80% of all royalties flowed into the government's consolidated fund to support the budget. The remaining 20% was destined for the sub-national level. As such, it was earmarked for sharing between various national regulatory and oversight bodies, MMDAs, traditional authorities and other communities impacted by mining activity. This 20% was split in two: half was paid into the MDF. Ten percent was designated to go to universities and research institutions associated with the mining industry. The remaining 10% of mining revenue was transferred on a quarterly basis to the Office of the Administrator of Stool Lands, which, in turn, dispensed the money directly to beneficiaries, according to a formula outlined in Section 267(6) of the *Minerals and Mining Act* 2006. This formula stipulates that the office retains 10% of the monies awarded to cover administrative expenses, 25% is provided to the traditional authority for "the maintenance of the stool"; 20% to the traditional authority himself; and 55% to the District Assembly located within the area of authority of the stool lands (www.eiti.org). **If we consider these items together, local communities are receiving 10% of the total 5% paid in royalties, or 0.5%**. By contrast, the Ghana Chamber of Mines established the general guideline that mining companies should set aside $1 for every ounce of gold sold and 1% of net profits for local communities (Oppong 2016, 424). Diagram 1 below illustrates the flow of revenues in the mining sector under the 1992 MDF.

Diagram 1: Flow of Revenues from Ghana's Mining Sector



Source: Denis Dogah

It is important to note that the creation of the MDF was not only to promote development in local mining communities, but also to compensate the same communities for the costs associated with mining. For some MMDAs, money provided out of state mining revenue could account for up to 40% of their total budgets, although the actual figure has been lower than this for the majority. MMDAs outside mining areas received no allocation of mining wealth. It is not clear whether the distribution of mineral royalties to MMDAs occurred as an additional grant to their budgets, or whether it replaced other sources of funding from the central government. Other sources of income for MMDAs come from grants from central government budgets. However, because mining contributes an estimated 14% of state revenue, an additional contribution to all district assemblies from mining occurs that is less obvious (www.eiti.org). For traditional authorities and chiefs, there are also direct payments made by mining companies for land rent, although information on the scale of payments made by companies to chiefs is hard to obtain.

From 2012-14 several sub-national governments established dedicated bank accounts for these revenues, and the MinCom, a member of the multi-stakeholder group (MSG), developed policy guidelines for the use of mineral revenues at the subnational level, along with tracking mechanisms to ensure that they were being followed. MinCom also developed guidelines for corporate social responsibility (CSR), such as community health projects, construction of schools, and support for sports infrastructure (Ghana Mineral Commission 2014; EITI, 2014).

PART 2 ISSUES IN MINING GOVERNANCE

The two chapters in Part 2 (chapters 4 and 5) discuss some contemporary issues in mining governance based on an extensive review of the relevant literature. Chapter 4 examines CBAs – the primary means by which mining companies promise benefits to host communities, and discusses the importance of integrating effective M&E systems into CBAs. Chapter five surveys literature on the mining industry in Ghana, which raise several important issues on the effectiveness of governance arrangements.

Chapter 4 Community Benefit Agreements

4.1 Community Benefit Agreements

Introduction- Why Community Benefits Agreements were Created

The Movement towards Increasing Transparency in Global Mining

Mining products are an integral part of any economy, providing metals and fuels required for a high quality of life. However, as is well documented, a series of challenges come with the industry beyond worker safety. These include economic challenges, such as a commodity price cycles and heavy and often risky upfront payments for exploration and development. What further complicates matters is the question of the division of revenue streams among individuals in the community, different levels of government, the company, and investors. Knutsen, et. al (2016) find that mining is associated with increases in the level of local corruption in Africa through an extensive quantitative survey relying upon Afrobarometer and spatial statistics.. Furthermore, environmental residue, called tailings, creates a potentially very long-term externality for which companies may not take sufficient responsibility. A number of case studies are highly critical of the benefits reaped by communities from mining. They cite lasting environmental degradation, limited numbers of temporary jobs with sometimes-abusive conditions, and weak to no community consultation as some of the most prominent issues (Clark and North 2006, 10-11).

The literature on mining conflict strongly emphasizes the transnational nature of anti-mining movements. It sees international allies as crucial in pushing companies for greater responsiveness. These allies may provide legal, financial, human, and information resources, but more importantly, they can put pressure on companies in their home countries and markets through publicity campaigns (Bebbington et al 2008). Where local governance is weak, as is the case in many parts of the developing world, protest can spontaneously erupt. Mining companies are vulnerable to disruptions of their operations through strikes by workers, blockage of infrastructure access, and potential violence. Mining may well exacerbate underlying pressures in local arenas of governance contestation, particularly disputes over property rights. Central governments, which generally formally hold title to subsoil rights, will also be hesitant to acknowledge any form of local ownership rights (Bebbington, et al 2008).

The development of a significant transnational movement checking mining, such as MiningWatch based in Canada, has led to reactions on the part of Western industry and governments towards a regime regarding social responsibility (Gordon and Webber 2016). From the 1990s, mining companies have adopted the term "social license to operate," reflecting acceptance of their projects by local communities. What that actually means in practice can be highly subjective (Curran 2017, 427), and critics claim that mining managers look at it primarily as a box to check rather than a genuine collaboration (Parsons et al 2014). In response, mining companies in several countries began to develop codes of conduct, beginning with the 1991 Berlin Guidelines, created through a roundtable organised by the UN and the German Foundation for International Development to create principles around sustainable mining.

These efforts have been expanded over time to global corporate codes. In 1997, The Global Reporting Initiative (GRI) was founded to provide guidelines on reporting of transparency in 3 general areas, including economic, environmental, and social, and providing grades from C to A+ on the level of disclosure for each. The guidelines were meant to aid investors interested in sustainable practices, as reflected in the Equator Principles (2003) around financial risk management. It was extended to a variety of industries, developing sector-specific codes for each. The GRI dovetailed with The United Nations' Global Compact, a set of principles that companies voluntarily adopt around human rights, labour, environment, and anti-corruption (https://www.unglobalcompact.org/). In 1999, the Mining, Minerals and Sustainable Development (MMSD) process, which emerged from industry in response to growing pressure, sponsored 34 large transnational mining companies under the Global Mining Initiative.[8] It issued an industry report in 2002, which contained the idea of "social license" to operate, and stated that the mining was failing to obtain such in the wider sense (Owen and Kemp 2013).

A core set of principles around global mining governance is starting to emerge to coordinate Western corporate behaviour. In 2001, the International Council for Mining and Metals (ICMM) was created as a coalition of "responsible" mining companies. ICMM lays out 10 principles as a condition for membership. In 2003, the world's largest banks created the Equator Principles, a set of environmental and social impact standards for large-scale projects, including mining (Clark and North 2006, 9). The Extractive Industries Transparency Initiative (EITI) was initiated in 2003 in order to encourage transparency in government revenues received from oil, gas and mining. EITI represents a coalition of participating countries, international organizations, companies, institutional investors and NGOs. Not surprisingly, a number of criticisms suggest that EITI does not go far enough (Öge, 2016; Kolstad and Wigg 2009). The World Bank (Ravat and Kannan 2011, 115) states that transparency in contracts remains highly

[8] This was the same year as the UN Global Compact seeking to more generally address corporate social responsibility.

controversial in the industry because of concerns about releasing proprietary knowledge and political sensitivity around terms of an agreement, particularly releasing how revenues are allocated. A revised set of standards adopted in 2013 sets new disclosure requirements and encourages multi-stakeholder groups to form and explore context-specific and civil society participatory approaches toward accountability.

A wide variety of authors note that improved transparency, while emphasized by the EITI and related current initiatives, is not enough. Fonseca et al (2014, 77) conclude in their study of the Global Reporting Initiative guidelines for sustainability reporting, that "future studies should move beyond the realm of data description, and start grappling with the undeveloped science of measuring and reporting mining sustainability, particularly across geographical sites." What is furthermore lacking in such efforts is adequate enforcement. It is unclear whom – the host government, the corporation, or the home government of the company – has what level of responsibility for enforcement (Besada and Martin 2013, 25). Because of concerns about capacity and enforcement, a new set of actors around mining assurance is arising, to create an auditing system around mining practices (e.g. http://www.responsiblemining.net/). In addition, in certain areas of interest, particularly local procurement, there are additional initiatives to improve reporting (see http://miningsharedvalue.org/mininglprm/).

Recognition of Communities as Significant Actors

Essentially, then, mining is a governance challenge. The economics of mining is inherently risky, requires raising large amounts of capital, a large scale, a skilled workforce, and years before it pays off. All of this means that stable property rights and predictable revenue streams are necessary to see the project to completion. Thus, it is not surprising that the main action between mining companies and governments has been about negotiation of exploration and development rights, royalty rates, and ownership arrangements, rather than governance *per se*. A case study of two communities affected by mines in Ghana finds companies pressed into developing governance and decision-making mechanisms in the absence of government capacity or community trust in government (Lawson and Bentil 2014). Another study of remote Australian mines finds companies pressed into filling government roles because of a lack of local capacity, a theme common to the literature (Cheshire 2009). The externality created in environmental, as well as other large-scale social effects, has led to the recognition of communities as significant actors.

Inequality of benefits will inevitably occur, as only some members of mining communities will get jobs, and the community can only receive a certain amount of services. Operations can and have been shut down through activism, and investors may be spooked by bad press. It is not surprising, then, that companies over time have paid increasing attention to establishing positive community relations. The importance of negotiating with local communities has not been lost upon mining companies or governments, but there is still scepticism about the results of such efforts. In a study of mining projects in Argentina, Mutti et al (2012) find that local communities conclude that mining companies only pay "lip service" at best to corporate social responsibility. Slack (2012) contends that companies' domination of information about a mine, ranging from environmental assessments to resulting benefits, leads to net benefits being systematically over-stated to gain approval. Large international NGOs such as CARE and Conservation International can abet mining companies and can suffer from a conflict of interest where they receive contracts from companies to carry out assessments and development projects. The information problem extends to the inability to assess easily corporate performance in the area of community benefits as opposed to economic and financial returns. One could imagine, for example, the possibility of an independent monitoring report of labour and human rights at a mine site, to cover this credibility gap. Surprisingly, Pearce (2006, 174) notes that there is no common practice for third party monitoring and verification of company promises. Where such monitoring exists, they seem to be limited to one-off contracts with large Western consulting firms. Moreover, Kemp et al (2011) find inadequate and poorly functioning grievance mechanisms for communities to approach mining companies with issues.

Can the State Fill the Gap?

Perhaps more problematic still is that many of the case studies of mining projects reveal hierarchical and exclusionary corruption and nepotism within host states and local communities' governance structures (Hilson 2014). This is not surprising given the "resource curse" whereby a sudden stream of natural resource rents comes on line, without the institutional and regulatory infrastructure to handle it. Such findings hold even where a participatory process is in place, as noted, for example, in Smith et al's (2012) study of Madagascar, where power dynamics, including buying-off local officials by central government officials, seemed to override formal input processes.

Numerous case studies have pointed to the lack of regulatory capacity to ensure adherence to mining agreements. Wilson's (2015) study of Sierra Leone recommends an independent regulatory enforcement agent given the lack of capacity and corruption of local government. In Peru, new legislation from 2004 offered substantial revenues to subnational governments, and mandated participatory consultations on the use of the revenues. Yet, Arellano-Yanguas (2011) concludes that the outcomes have been "perverse." There have instead been major increases in contention in local politics, spilling over into wider national conflicts and negatively affecting mining revenues. He concludes that institutional weaknesses lie at the centre of the issues. These include weakness and regulatory capture of the Peruvian state, weak integration of local leaders into broader national agendas leaving them to pursue particular interests, and the inability of the state to manage or broker conflicts among competing local actors.

It is important to point to the tension created around expectations vs. the reality of what corporations can do. In moving beyond the traditional enclave of mining operations towards community acceptance, it is hard to know how far a corporation's responsibilities lie. Comparative case studies reveal particular issues around indigenous conceptions of ownership rights and expected delivery of basic services from mining corporations. In a study of Barrick gold operations in Tanzania, Newenham-Kahindi (2011) finds that despite spending millions on infrastructure development, donations, and community initiatives, including creating a local mining institution, health, education, and entrepreneurship programmes, there was deep discontent among some local communities. The results were not as expected given the amounts of investment – continuing high unemployment, questions about land rights, high crime, high disease rates, and ecological damage affecting fishermen all fuelled discontent. The discontent suggests that the company focused on transactional relations as opposed to empowerment measures and building long-term sustainable economic enterprises, in good part due to the lack of government capacity. Given the lack of government capacity, mining companies have to deal directly with communities as well as states.

Community Benefit Agreements as a Solution in Need of Further Development.

Community benefit agreements (CBA), also known as community development agreements (CDAs) or Impact Benefit Agreements (IBAs) should help to ameliorate the problems discussed above by providing a stable set of expectations among the stakeholders, transparency, and measurement regarding the fulfilment of a company's promises, and a potentially legally binding, potentially enforceable document. The CBA itself is a document signed by representatives of the key stakeholders. CBAs have been spreading rapidly around the world, as more countries make them a requirement of mining investment. Dupuy (2014) reports at least 41 countries adopted requirements for a CBA to be put in place as of 2014. This development works hand-in-hand with the increasing evolution of the sector to include social impact assessments, and occasionally the subset, health impact agreements, to obtain legal approval.

In the past five years, CBAs have become a primary vehicle by which mining companies reach an agreement with host communities, in which the latter are promised a variety of rewards in exchange for access to, and exploitation of, local mineral resources. Often written as legal or quasi-legal contracts binding the companies to specified deliverables, governments can formally mandate CBAs through legislation or they can be informal. Mining companies are motivated by the desire to avoid messy renegotiations which they are frequently subject to. In some contexts (notably developing countries) NGOs and CSOs often try to act as mediators to help communities negotiate the best terms.

Types of Benefits Common to CBAs

The basket of categories of benefits seems to be standard across agreements. As Esteves (2008, 45) points out, there needs to be a process of vetting alternative community benefits projects with the community and government able to choose the best and most supported projects given a limited projected set of funds. The inter-relationships of these projects can provide an important source for development if aligned. From reviewing existing agreements and using the aforementioned CBA templates, we can come up with a set of M&E principles by category.

The foremost category is **revenue sharing**. Mining revenues may go directly to the government, with common arrangements being the central government re-allocating a share to local government (and taking some credit en route). Revenues can also directly pay for community projects. Increasingly common are the setting up community trust funds. In terms of M&E, transparency is vital, as well as indicators for the efficiency and results of expenditures.

The second most common category is **employment and training**. Here, one sees either hard or soft targets, the former specifying the number of locals to be employed, or the latter a percentage of total employment of locals. Areas of common contention here are the types of jobs locals occupy, retention of locals, and how many and how fast and high locals can be promoted (Gibson and O'Faircheallaigh 2010, 145). Resolving these issues requires M&E of employment and training indicators, and, more importantly, identification of the barriers to promotion. Suggestions in the literature include cultural discrimination/misunderstandings and the lack of skills. Some projects therefore tie training to education projects. One would want training, though, to show clear results in improvement of skills and employee mobility. A related category is employment conditions, including the challenges of shift work and worker safety in mining projects.

Education projects seem a natural extension of local benefits, as they can provide basic skills to improve employability beyond mining. Here again, one would want to move beyond what seem to be the common measures of expenditures, towards a more outcomes-based metric. Numbers of students, quality and number of staff, and test scores are examples of solid, measurable indicators.

The third category is **infrastructure**. Here the mining company agrees to build roads, power, and other items such as ports, which are necessary for its operation but can also benefit the community. In this case, M&E should surround contracting practices and ensure the integrity and efficiency of work by sound contractors. The plans should consider options on the re-purposing of the infrastructure after the mine closes and its use for community development. Longevity is also a factor regarding maintenance and extension of the infrastructure. Here we can see the benefits of a partnership between an outside established company and a local one, designed to build capacity for the local company to take over maintenance.

Most CBAs also include **local procurement** clauses, another source of vexation for mining projects. The common issue seems to be how much to weigh preferences for local suppliers, and whether they can meet the standards expected by the mining company. A report by CIRDI and Mining Shared Value (2017) a local procurement company in South Africa and Namibia states (5),

> While virtually all mining company representatives interviewed expressed a desire to purchase as many goods and services locally as possible, concerns over the ability of local and national suppliers to meet their needs were widespread. While many companies engage in supplier development efforts, there is a general feeling of a lack of resources for their efforts, as well as tension over who should be responsible for building the

> capacity of domestic firms. There is a feeling that requirements to purchase locally need to be matched by comprehensive support systems and resources for the suppliers companies are required to purchase from.

This suggests, again, a tie to training programmes to build local capacity. There is discussion in the literature of monopoly/oligopoly rents gained by a handful of companies that should be avoided. Here is another opportunity for a joint venture to build up local capacity.

As noted, **governance capacity** is a key category for achieving sustainable development. This factor is much more difficult to measure; however, there are institutional design principles around good governance. These include transparency, responsibility and accountability, representation and participation, responsiveness, rule of law (fairness), and democratic election. In cases where trust between the community and governments is low and/or government capacity is low, it would be helpful to allocate funds specifically for achieving better institutional operations. Here both qualitative and quantitative measures would work. Qualitative measures would be, for example, community surveys and the creation of an Ombudsperson office. Quantitative measures could include, for example, the number of days for processing routine operations, such as issuing a business license. While improving representation, participation and responsiveness are important, accountability and transparency are equally essential, particularly when there are concerns about corruption. Effective governance requires the enforcement of transparency and accountability.

A final category is **community sentiment**. Public opinion surveys, focus groups, and purposed and funded media projects can provide invaluable ongoing feedback about mining operations and community benefit programmes. A proper response unit can help nip problems in the bud through adjustments and communication. We can add to this a particular opportunity to use community projects to aid marginalised groups. It is important to note that these potential aspects are far less frequently seen in CBAs than the other benefit categories noted above.

Early Assessments of CBAs

But will CBAs really deliver a stable agreement? There are reasons to consider this. For example, a World Bank (2010, 15) review on CBAs concludes, "There is an absence of a common reference framework and universal industry standards/government guidelines resulting in CBAs existing as an ad hoc and varied series of agreements. Where they do exist it is often in hugely varying forms sparking various levels of acceptance amongst stakeholders." CBAs could, in theory, help to manage the uneven bargaining power among foreign companies, the host government, and the community, which is a major source of the negative perceptions of mining activities (Blunt 2014; St. Laurent and Le Billon 2015).

CBAs have been criticised on other grounds as well. Hart (2012, 5) writes that while CBAs have helped some communities to increase their oversight and authority over mining areas, however, in negotiating these agreements, and without minimum standards and disclosure of the details of the agreements, they are largely a product of the negotiating power of individual nations (communities) and their lawyers. Also called into question are the processes for ratifying the agreements and their use as an indicator of social acceptability/consent. In some cases, communities sign agreements because they feel they have little choice and that a project will go ahead regardless – so they might as well try to get some benefit from it.

This view is reinforced by Dalupan (2015) who, in her study of CBAs, highlights the lack of negotiating capacity of communities and recommends funding for 3rd party expert advisors both at the negotiation stage and in monitoring and evaluation. In general, the mining industry seems to acknowledge the ongoing challenges in creating regular lines of communication with communities, and the lack of trust created from a vacuum of independently verifiable audit results (Buxton 2012). The same lack of negotiating power by governments is pointed out in a damning report of agreements between Zambia and copper mining companies (ACTAS et al 2007), particularly the lack of anticipation of changes in commodity prices which led to increasing calls to abrogate the agreement.

Many factors affect the stability of an agreement, from the legal soundness and unity of host governments and community organisations, to the companies' implementation of the agreements themselves. In examining 27 CBAs across the US, Wolf-Powers (2010) concludes that 4 factors determine how CBA results are perceived: the robustness of the local development climate, the politics of labour, the role of the government, and "the accountability of the community benefits coalition to affected community residents." CBAs often include certain "performance requirements" or "impacts." These may cover a wide variety of issues, such as labour (employment); economic development (favouring local businesses in subcontracting); social programs (such as community infrastructure or youth programmes); environmental; financial; and commercial (such as consultation provisions). They have been one of the leading sources of contention.

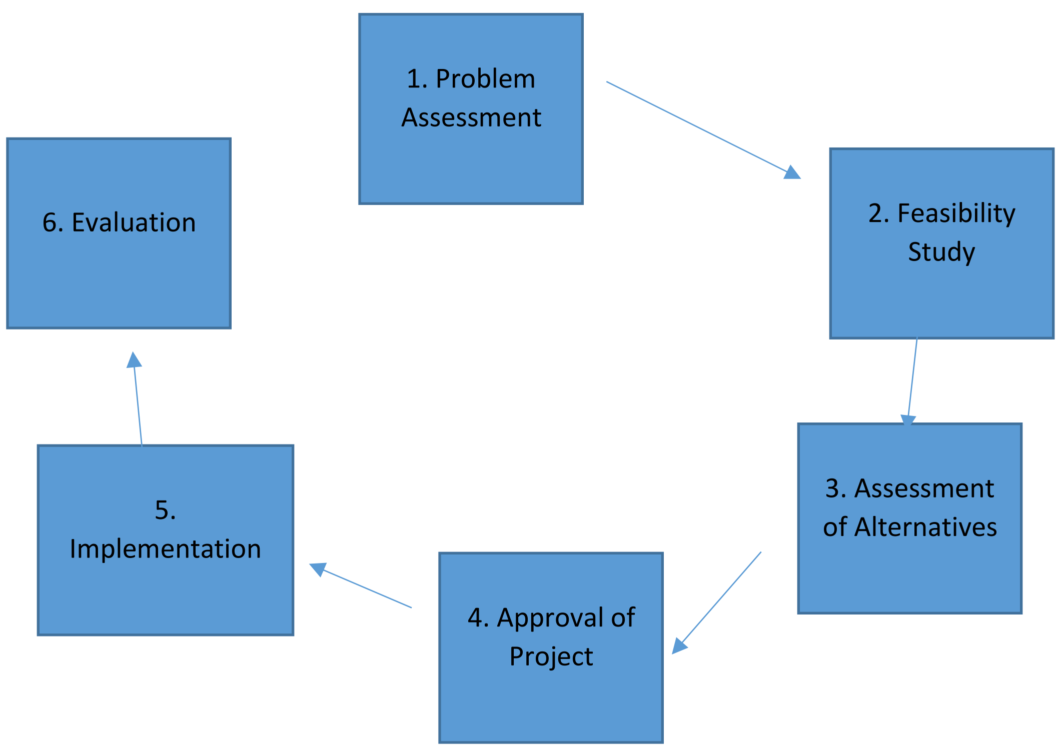
A lack of adequate community input is another common issue. As O'Faircheallaigh (2013) states, "Research in the late 1990s and early in this century showed that many CDAs in the mining industry were not effectively implemented. For example, local employment or contracting targets were not met, consultative or environmental monitoring bodies ceased to operate after a number of years, landowner access provisions lapsed, or agreement revenues were not being used in the manner intended." In a subsequent article (O'Faircheallaigh 2015), he notes that while CBAs may be legally binding, legal action is unlikely to proceed given the lack of resources and knowledge by community. In a review of CBAs in Africa, Nwapi (2017) notes importantly that practices vary considerably in terms of how "community" is defined, neglecting the question of representation, and are equally negligent in terms of developing community capacity for participation. This is despite common legal codes such as Kenya's requiring regular monitoring reports. Without built-in regular reviews, dissatisfaction can build up in the community. The result, we can conclude, is a turn to political action, such as protest, as has often happened at mining sites, seemingly to the surprise of company officials. One could suggest, furthermore, that a lack of metrics lends itself to ambiguity on the part of communities in terms of expected outcomes, which can lead to dissonance in the process down the road.

4.2 How Monitoring and Evaluation (M&E) Can Help to Improve CBAs

M&E as a Central Aspect of International Development Practice

Virtually every development project integrates M&E systems as a normal part of the project cycle. The project cycle as commonly conceived contains the following recognised stages. The first stage is the identification of a problem or issue. In the second stage, an assessment of feasible ways of addressing the issue/problem takes place. This might include baseline studies and stakeholder interviews. In the third stage, the project team examines alternative projects and project designs before creating a detailed proposal around which one would work best. This proposal contains a project plan that includes a monitoring and evaluation system. In the fourth stage, the team presents the plan to a board for approval amidst competing proposals. The fifth stage entails the implementation of the project. In the final stage, an evaluation takes place, usually by certified third party evaluators who examine both quantitative and qualitative measures, and stakeholder and personnel perspectives. En route, as we describe below, adjustments to the project may occur based on monitoring feedback, including in rare cases, termination of the project in the event of a failure to meet objectives despite adjustments.

Figure 1: Development Project Cycle



Source: Hira

It is important to note that every type of project requires adjustments in monitoring practices. Infrastructure projects will have visible results, and require engineering-based evaluation, while education might require a cohort-based testing system and have lagged results, for example.

Common M&E Systems in International Development

M&E is a critical part of the development process, and focuses on assessing the effectiveness of interventions. Every agency has its own M&E framework, but the most common one is the logical framework that is the basis for many development projects. In simple terms, a logical framework consists of a series of steps, which when completed show how a set of activities will "contribute to wider changes", and how these activities and changes will be monitored (Jacobs, Barnett, and Ponsford 2010, 37). The logical framework, designed to map out the progress of the project through a form of process tracing, generally follows this pattern: *inputs*→*activities*→ *outputs*→*immediate outcomes*→*intermediate outcomes*→*ultimate outcomes* or *impacts*.

Applying a logical framework entails filling a form that specifies the indicators used to monitor and assess progress in each stage. The inputs are the resources, financial, material, and human, needed to achieve project outcomes. Activities are the actions taken to achieve outcomes, such as baseline studies and setting up contracts for construction. Outputs are the direct products or services stemming from the project activities. Outputs tied to observable indicators are the main source of monitoring whether the project is on track. Immediate outcomes are short-term concrete/tangible results or changes in capacity (skills, knowledge, etc) of beneficiaries. Intermediate outcomes are the changes in performance, behaviour or practice that are expected to occur in order that the ultimate outcome, entailing changes in the conditions or well-being of beneficiaries over the long-term, can be achieved (OECD 2016). Evaluation would focus more on the outcomes, recognising that ultimate outcomes might occur well after the completion date of the project. The logical framework is also the primary tool used in the more recent move towards 'results based management' or RBM, which emphasizes measurable 'objective' indicators that are sustainable over the long run. RBM often involves checklists along these lines included with the logical framework at the assessment stage.

Common Critiques of International M&E Assessments

One major source of criticisms of existing M&E practices in international development has come primarily from social scientists who assert that an over-emphasis on 'objectivity' misses the very important subjective and intersubjective elements to development. These begin most generally with the definition of development itself as a reflection of the dominance of Western values and practices (Escobar 2011). More specifically, some critics charge that aid donors prefer logical frameworks in M&E because they provide a simplified summary of on-the-ground activities, and by identifying 'objective' (i.e., quantifiable) indicators, they allow donors to "[link] budgets to actions and expected results", thereby making interventions easier to monitor (Jacobs, Barnett, and Ponsford 2010, 37). The emphasis on quantifiable results leads to the omission of qualitative data (which is deemed 'subjective'). Critics argue that qualitative data (e.g., from interviews, surveys, focus groups, participant observations, etc.) can reveal the effects of development projects on beneficiaries in communities that are not captured by quantitative measures and should therefore be included in M&E systems (Bornstein 2006). Some suggest that only qualitative data can reveal the scope and depth of an intervention's effects on a community, and by largely excluding such supposedly 'subjective' data from M&E, those implementing development projects are unable to appreciate the full impact of their interventions (Mueller-Hirth 2012). However, others caution that without 'objective' monitoring indicators, such as water usage from a new clean water source, 'subjective' measures are prone to recall error (Thomas et. al 2011). They thus recommend using 'subjective' measures at the macro levels and triangulating them with more 'objective' monitoring indicators wherever possible.

A related set of criticisms focus on the nature of logical frameworks, which critics claim put pressures on those implementing development projects to meet 'indicators' seen as "milestones of progress" or "barometers of overall effectiveness and impact" of the intervention (Bornstein 2006, 53). This, critics charge, sometimes leads to the manipulation of data and deception, essentially "encouraging dishonesty" and decreasing the accountability that M&E is supposed to deliver (Bornstein 2006). Critics also charge that some logical frameworks are unnecessarily complicated, which leads to the wastage of time by staff attempting to understand how to input data thus taking away opportunities for building practical capacities and learning ((Mueller-Hirth 2012). Bornstein 2006). They also question the assumption inherent in logical frameworks that everything planned on paper will work out in practice (Bornstein 2006). The critics argue this is rarely the case; logical frameworks are very poor at addressing unforeseen developments in the field, and simplistically assume a linear logic that states 'If A happens, then B must follow' (Jacobs, Barnett, and Ponsford 2010).

Another set of criticisms point to problems of accountability in the M&E methods preferred by the major Western aid donors, including Western-based NGOs (Bornstein 2006; Ebrahim 2003, Easterly and Pfutze 2008). These criticisms centre on the relationship between 'upward accountability' where project implementing agencies are accountable to their donors/funders; and 'downward accountability' where the agencies are accountable to the beneficiaries of development projects in the communities. The critics charge that conventional M&E systems emphasize the 'upward' dimension of accountability and neglect the 'downward' side thus contributing to the disempowerment of the very communities they intend to help (Wenar 2006). The issue of accountability is particularly significant, because of its effects on people who have little to no influence over the agencies, actors and projects that affect their lives. The inherent potential conflict of interest and potential bias of both internal audit agencies and outside contracting auditors who depend for their livelihood on future contracts also undermines the credibility and accountability of M&E (Hira 2004).

These criticisms continue towards the anthropological side with calls for greater participation by the beneficiaries at every stage of the process. Robert Chambers (1994) was an early leading voice in suggesting a series of techniques he called participatory rural appraisal, including non-textual communication with beneficiaries to set priorities and make choices along the life of the project, including M&E. More recently, in contrast to conventional M&E, an approach called 'participatory monitoring and evaluation' (PM&E) has emerged that encourages aid recipients to become active participants in the evaluation process, thus lending a greater degree of downward accountability to the project (Jacobs, Barnett, and Ponsford 2010). PM&E can include community surveys, interviews, oral testimonies, etc. (Jacobs, Barnett, and Ponsford 2010). Proponents suggest that by increasing community involvement in the process, interventions are more likely to be sustainable and effective, because locals have greater control over the activities they believe would benefit their community. With the advantage of soliciting the community's needs and attitudes, PM&E would not only be more effective than conventional M&E, but more flexible as well, given its improved basis for learning from the community itself.

Some observers, while sympathetic to the importance of community participation in M&E, question the tendency in some participatory approaches to idealise the context in which development projects are implemented (Jacobs, Barnett, and Ponsford 2010). The lack of time, resources, and inability to recognise competing pressures faced by managers and donors are major obstacles to overcome, as is the need for reliable and replicable data (Jacobs, Barnett, and Ponsford 2010). Others question the tendency to romanticize the 'local' and overlook the power differentials and social hierarchies (gender, class, education, etc) that exist in every community, which affect 'participation' (Busumtwi-Sam 2003). These very real power imbalances make even genuine participatory efforts to include stakeholders fraught (Hira 2004). Questions raised include how one overcomes the gap in technical knowledge between beneficiaries and project experts; how one becomes inclusive without creating tensions within communities through disrupting existing hierarchies; how one navigates power imbalances or fractionalism within a community; and whether non-verbal methods can really convey highly complex issues such as engineering designs (Hira 2004). Furthermore, it is quite possible that beneficiaries are unable or unwilling to recognise long-term interests that may seem vague or unobtainable to them, or that pit collective vs. individual interests.

In a 2004 book, Hira also points to the absence of a learning curve, as evaluation in the project cycle does not spillover into the next project. Evaluations also tend to have far less impact than they should because they occur at the end of the cycle with funds already allocated. Building feedback systems to monitor both the processes involved in and the outcomes of an intervention may alleviate this problem by encouraging learning (Jacobs, Barnett, and Ponsford 2010). Also, a new trend towards performing meta-evaluations, or studies of patterns across evaluations, may slightly improve this problem.

What should a M&E Framework for CBAs contain?

What should be included in a monitoring and evaluation framework is unsurprisingly contentious. The key question here is how much a mining company can do. If it starts to move into areas such as health care, for which it has no expertise, not only might this stretch its competence, but it could also be replacing what should be government functions, without building long-term capacity. As McEwan, et al (2017, 41) suggest, the experience of mining companies in Papua New Guinea, as stated by a corporate manager, is that they are 'becoming government'. The agreements, typical of CBAs, push companies to deliver infrastructure and public services in return for commitments from the community not to disrupt the mine. They thus note an interesting incident where a note of apology to the company accompanied a community protest stating that the action was designed to "attract the attention of the state by communities that felt 'abandoned'".

Some CBAs have attempted to deal with this issue by including capacity building for government, and local participation into their agreement, including the Newmont project in Ghana (World Bank 2010, 29-30). Even so, the arrangements can be fraught. In examining the lack of socio-economic progress in Papua New Guinea, the World Bank (2010, 47) finds that local government capacity was lacking and that community representatives for joint committees were not in fact representative or capable. Capacity is particularly important regarding the management of fund allocations.

The Columbia Center on Sustainable Investment (CCSI)'s (2013, 34) report on Guinea urges designers to "go beyond metrics such as 'percentage of mining earnings distributed', 'dollars spent' or programs initiated. Monitoring should also include development metrics, such as the UNDP's Human Development Index. The other side of the argument, then, is absent broader measures of community welfare, there are unlikely to be clear and sustainable improvements in the development level of a community. In a broad study of CBAs in Canada, the Public Policy Forum (2006, 54) recommends to the Canadian government that First Nations and government work together to prepare baseline socio-economic and cultural data as part of any CBA. The CBA toolkit created by Gibson and O'Faircheallaigh (2010) also suggests the establishment of a baseline survey of socioeconomic and cultural conditions. They suggest as part of the CBA plan the maintenance of an information system around metrics that is publicly accessible. They note that experts will be required to analyse and verify the data; however, the local context is vital to interpretation (75-76).

Somewhat standard toolkits exist already from some of the key outcomes of mining projects. These include Environmental Impact Assessments (EIAs), Social Impact Assessments (SIAs), and a relatively new category called Health Impact Assessment (HIAs). We assert that a more comprehensive M&E framework is required to improve community acceptance and benefits that includes both quantitative data and qualitative data, incorporates participatory methods, and enhances downward as well as upward accountability. It is important to continue to study CBAs in practice so that we can share lessons from them. It is in this spirit that we undertook the Ghana case study, to be followed by others.

Chapter 5 Literature Review: Key Governance Issues in Ghana's Mining Sector

The literature identifies several challenges to and key issues regarding the effectiveness of mining governance in Ghana. We group these issues into the following categories: coherence in national policies and laws; revenue collection and royalty payments; distribution and use of mining revenues; and the impact of mining on human rights. Other key issues relate to the role of women in the mining sector; privatization of public services; land compensation and resettlement; and the environmental impacts of mining.

5.1 Coherence in National Policies & Laws/Regulations on Mining

A 2015 UNDP report notes that prior to the *Minerals and Mining Policy of Ghana* (completed in 2014 and officially launched in February 2016 – see section 3.2), Ghana lacked an overarching national policy on mining that addressed in a comprehensive manner mining operations and governance issues (including ASM) to ensure that mining contributed to the country's sustainable development. Policies addressing the mining sector did exist prior to the *Minerals and Mining Policy*, but as the UNDP report notes these policies were largely ad hoc and oriented primarily to the role of the state and private actors in the industry. While the adoption of the first comprehensive national mining policy in Ghana was a step in the right direction, as the UNDP report observes, the fact that the mining industry had operated in Ghana for a considerable length of time without a clearly articulated national policy is very concerning. Also concerning is that 17 years elapsed from the initial draft of the *Minerals and Mining Policy* in 1999 to its official launch in February 2016. **The UNDP's report argues that mining has become an enclave and has therefore not delivered its full development potential because of the absence of a comprehensive policy to integrate mining into the rest of the country's economy**. The report notes, for example, inadequate investment in science and technology education to feed the mining workforce and improve qualifications, the absence of support systems to help small and medium scale local entrepreneurs to enter the business, a lack of disclosure of company environmental plans, and inadequate opportunity for citizen monitoring.

The UNDP report also questions the sequencing of policies and laws/regulations, suggesting that the proper sequence is for a government to adopt a policy and then develop the laws and regulations to give effect to the policy. However, this sequence appears to have been reversed in Ghana with the law (the *Minerals and Mining Act* [Act 703] of 2006, amended in 2010 and 2015) appearing before the policy (see section 3.2). Furthermore, regulations to give effect to the law came 8 years after the law (in 2012), which created undue opportunities for varied interpretations of aspects of the law (see section 3.2 for a list of these regulations). As further noted in the UNDP report, it is not clear what policy/policies inspired the promulgation of mining laws and regulations in Ghana because of their passage in a policy vacuum. Because the mining policy came *after* the laws/regulations, the report recommends a review of the latter to fill any gaps, ensure their alignment with the policy, and ensure policy-legislation coherence (UNDP 2015).

5.2 Mining Revenue Collection

The literature identifies several issues and problems in the mining fiscal regime in Ghana and the distribution of mining revenues (see sections 3.3 and 3.4). **While Ghana follows international conventions such as the EITI, and companies reveal what they pay, what happens to the revenues collected is not transparent**. A World Bank study by Ayee et al (2011, 22) plainly states, “The risk of embezzlement in the collection and estimation of royalties in the mining industry is real, and access to information seems to be a general challenge”. The ICMM, in a report from 2015, recommends “greater clarity on the management and use of mineral revenues” (8). The 2015 UNDP report notes the lack of clarity regarding the reporting and collection of royalties in Ghana, and the absence of a clear plan about what to do with revenues, including smoothing out for mineral price volatility (UNDP 2015). Akabzaa (2009, 46) suggests that the Ghanaian government lacks the capacity to fully scrutinize and manage mineral royalties.

A 2009 report entitled “Breaking the Curse” by a group of NGOs (Open Society Institute of Southern Africa et al) criticized African countries in general including Ghana for issues around mining revenues. The report argues that the tax subsidies and concessions awarded are too generous and that there is a high degree of tax evasion by companies through secret contracts, mergers and acquisitions and “creative” accounting measures. As a result, the report suggests, local communities’ incidence of poverty has not changed. On top of these issues is the inability of governments to audit the complicated accounting systems of mining multinational corporations (MNCs). The report calls for increases in royalty rates and other taxes, required development agreements, and full transparency in both the agreements between governments and companies in the revenue streams, including expenditures. The report notes that community development spending is a tiny fraction of overall mining company profits. For example, in 2007, AngloGold Ashanti earned $657 million in profits, but spent just $3.2 million on the community, or just 0.49% (18). In Ghana, the overall corporate income tax rate declined from 45% in 1986 to 25% in 2006. Moreover, the 2006 law removed windfall or additional profits taxes present in the 1986 code based on sharp increases in commodity prices (25-26).

The Ghanaian government, like others in the region, struggles to track royalty payments. For example, gold mining companies often report different prices for gold on the same day, affecting their royalty payments (Open Society Institute, et al, 28). The “Breaking the Curse” report also criticizes the granting of capital expense deductions, which amount to 80% in Ghana for the first year of operation, with the balance coming in subsequent years in equal shares (32). Moreover, mining companies are exempt from any VAT tax, and from export or import duties on more than 500 mining items. There is a 10% tax on interest and dividends (35). The report charges that deals with companies in Ghana are not fully transparent, and need approval only from the MinCom (53&60). The National Coalition on Mining, an organization founded in Ghana in 2001, echoes these charges, effectively suggesting that the government is giving sweetheart deals to mining companies (Third World Network- Africa 2012). Because of these pressures, in 2012, the Ghanaian government re-introduced a 10% windfall tax, increased the corporate tax from 25 to 35%, and changed the royalties from a sliding share between 3 and 6% to a fixed 5% in 2010. Mining companies threatened to leave the country because of lack of regulatory stability, but the IMF and GHEITI supported the changes, which they saw as more in line with global standards (Adoboe 2012).

The 2016 Ghana Chamber of Mines report observes that of the total GHC 550 million royalty payments to the state (plus undisclosed corporate income taxes) "only cedi 27 million ($6.3 m.) is expected to be returned to district assemblies for development" (21). It further **observes, "This amount is woefully inadequate for the stimulation of infrastructural development in the mining communities on account of their rather poor state"** (21). The report notes that an additional 4% of mineral revenue will go back to the community under the new 2016 Mineral Development Fund Act (Act 912), however even this amount "pales in comparison to the funds required to accelerate development in these communities. It is on this premise that the Chamber maintains that the share of royalty ploughed to the community should be increased from the current rate of 13% to 30%." **They go on to ask for the Board of the Fund to establish a Mineral Revenue Management system to guide expenditures through a transparent and accountable system.**

5.3 Distribution and Use of Mining Revenues

GHEITI reports covering the period 2004-2011 raise questions about how mining revenues are distributed and used. As the national coordinator for the GHEITI stated in 2014, while roughly 40% of the budgets of local governments come from mining, **"Local communities have become increasingly wary about the operations of mining companies and the level of contribution they make towards local development programmes**" (GHEITI 2014). **Misapplication of MDF funds by local authorities financing expenditures other than those that benefit the local mining communities, as well as the lack of proper accounting for and reporting of the use of these resources, are some of key challenges** faced in the distribution of the royalties and in its application. For example, much of the revenue finances recurrent expenditures such as waste management, purchase of fuel, and vehicles instead of socioeconomic development projects. Actual payments by the regional OASL to MMDAs were often smaller than they should have been. Regional offices did not always forward the full sum received from Head Office to districts and municipalities, and that payments occurred in instalments, which made planning and budgeting difficult for the Assemblies (EITI 2014).

Echoing these concerns, **a 2008 CHRAJ Report states, "…communities impacted by mining activities do not directly benefit from mining royalties. In most cases, most communities did not even know of the existence of the facility. In communities where**

people expressed knowledge of the facility, they said the chief was the main beneficiary of these funds (21)". They conclude on this issue, "The whole issue of collection and disbursement of royalties should be reviewed with a view to ensuring transparency and making the mining communities derive direct benefits from mining in their communities" (186). **Some chiefs also reportedly use mining revenues for purposes other than community development (Dupuy)**. The 1992 *Constitution* does not clearly delineate the roles and responsibilities of chiefs. Community participation in decision-making regarding fund-use is virtually nonexistent, and because no rules exist for how chiefs and traditional councils make decisions for the community, the latter can allocate funds as they see fit. Indeed, as Dupuy states (2017, 73), "MDF funding flows are not tracked in any official budget lines, and there are no systems in place for procurement, contracting, or expenditure management (Roe and Samuel 2007). Payments made by the OASL to chiefs and traditional councils lack documentation, and no requirements exist for reporting on or auditing of MDF funds used by these entities" (Dupuy 2013, 17) Moreover, **the national government does not monitor spending at the local level** (Hilson and Hilson 2017, 269).

It is very interesting to note another observation echoed elsewhere in the 2008 CHRAJ report. They state (66) that **"AGA (AngloGold Ashanti) was of the view that if 1/10 of royalties paid to Government had been ploughed back into mining communities the situation would have been better managed. Obuasi would not have been what it is today**. So, mining companies, traditional leaders, and government are all to blame for this sorry state of affairs in Obuasi" (see AngloGold Ashanti case in chapter 8 for details on the Obuasi closure).

5.4 Mining Governance Capacity

In addition to revenue collection and distribution/use, the literature raises other concerns regarding governance capacities at all levels of government in Ghana to manage and administer the mining sector effectively (Ayee et al 2011, 19). At the national level, a 2015 UNDP report identifies, among others, the lack of collaboration among ministries; the absence of a clear competitive bidding regime for concessions; and a lack of cost-benefit analyses in both fiscal and environmental terms before signing mining deals as major issues of concern. The concerns about administrative capacity extend to DAs, chiefs, and traditional councils, which under the law must follow expenditure regulations. However, an audit of accounts of the then 110 District Assemblies for the years 1997–2000 by the Ghana Anti-Corruption Coalition revealed a long list of financial irregularities. These included misappropriation of revenue; a lack of proper audits of accounts of revenue collectors; and an absence of receipts, invoices, and expenditure documents. Others included contract irregularities and inadequate tendering processes; payments being made for no work; and a failure to ensure the timely deletion of names of former staff from the payroll which led to payments of unearned salaries (Standing 2014).

Crawford (2010, 115) in a study of local government in Ghana, **concludes that DAs throughout the country suffer from administrative and financial capacity constraints**. The former relates to the limited power and functions afforded to DAs as well as the lack of control over sectors including health, education, and agriculture. In practice, DAs are unable to act upon their formal mandate to coordinate development activities. The Chief Executive tends to be dominant within the DAs. Moreover, there are severe limitations in accountability to constituents, particularly a lack of access to DAs to elicit responses to problems (116). **Crawford and Ayindoho (2013, 96) suggest that mining companies use their financial resources to influence DAs and chiefs, and thereby exercise hidden power over them. This comes mainly in the form of business contracts, with the ability of DAs and chiefs to select candidates for mining employment**. Mining companies also exert influence through lobby groups, particularly the Ghana Chamber of Mines, while there is no real counterweight lobby group for communities. A 'culture of submission' reinforces this imbalance in influence and power particularly in rural areas (98).

The president appoints all district Chief Executives, and 1/3 of the DA's membership. Funding for DAs comes from the Ministry of Finance and the Ministry of Local Government, Rural Development and Environment, allowing for top down control (Ayee et al 2011, 17-18). NGOs suggest that mining companies are able to co-opt DAs, traditional authorities, and government agencies (Dashwood and Buenar Puplampu 139-40). Indeed, Debrah's (2009) analysis of ten districts revealed that only two held regular meetings with the electorate. More worryingly, 85% of respondents to a survey conducted across these districts indicated that their assembly members were financing projects that were not in the public's interest.

5.5 Mining and Human Rights

Probably the most intensive and extensive data gathering exercise on mining outcomes was conducted by the independent constitutional body, CHRAJ, in 2008. They conducted focus groups across every major mining region in Ghana and in some cases took physical samples (water, soil, etc.) to test for contamination in 2006.[9] While acknowledging that mining could play a positive role in the country, **CHRAJ also found the following issues throughout the communities they studied: contamination of water sources and pollution resulting in health issues and loss of livelihoods; and excesses by both public and private security forces, particularly against ASM (known as 'galamsey'). Other issues identified by CHRAJ include inadequate compensation for destroyed properties; unacceptable alternative livelihood programs and unfulfilled promises of employment; and the "absence of effective communication channels between companies and communities (11)"**. The CHRAJ report found particularly notable issues of human rights violations in areas with long-standing mining operations, singling out AngloGold Ashanti operations in Obuasi and Golden Star Resources operations in Prestea and Dumasi, mostly related to force being used on encroaching galamsey. They note that in most of the communities visited the mining companies maintain private

[9] It is interesting to note that the 2008 CHRAJ report is no longer available on their website, though other previous reports are.

security, and set up permanent posts for the military or police or both. Both have been accused of using unwarranted force.

A study by the University of Texas School of Law (2010, 2-4) makes the following observations about human rights in mining operations in Tarkwa. First, there is no consultation with communities in the region prior to initiating projects, breaking form international legal standards, and there is just one passing note regarding the need for prior consent in EPA regulations. The study finds that community members do not feel adequately consulted, and that government and companies are unwilling to engage in dialogue. Community members lack information about their rights to contest decisions, and the enforcement of existing laws is weak. Second, the study notes a lack of transparency for mining and land concession agreements, and allegations by the community of company bribery, notably of chiefs, but throughout the supply chain, for which the government looks the other way. Third, compensation for land is inadequate as communities receive payment for loss of crops but not of land. Furthermore, the type of crops are not distinguished, so that different crops of higher values can receive adequate compensation. As state in the U of T report, "the Government is not present to counter-act this uneven bargaining power." Fourth, environmental degradation further deteriorates farming options, exacerbating the loss of employment. Fifth, the University of Texas study observes that the threat of violence used by the state through the military and police to protect mining concessions leads to human rights violations.

5.6 Artisanal & Small Scale Mining (ASM) and Youth Employment

As noted in section 3.2, **around 1.1 million Ghanaians participated directly in ASM operations in 2014**, including large numbers of marginalized groups, displaced farmers, mine labourers and former public sector workers. A further 4.4 million were dependent on the sector for their livelihoods (see section 3.2). ASM, also known as 'galamsey' in Ghana, has thus been a significant source of youth employment**. This is significantly greater (over 100X) than the rather generous estimate of 148,000 people in Ghana directly and indirectly employed in large-scale mining provided by the ICMM (2015, 37)**. **Concerns extend not only to large-scale mining's comparatively very modest contribution to employment, but also to the inequality such employment creates.** Akwasi Sarpong (2010, 132) in a study of Western Wassa, Ghana, for example, finds a situation of 'haves' and 'have nots' between those employed by mines and those left out. The former make salaries greater than many government workers make, and so enjoy an elevated status. The elevated salaries that expatriates receive exacerbate the situation. ICMM (2015, 7) notes that the national stakeholders it interviewed state that while there "has been an increase in business opportunities for locals, jobs have been mostly low paid, with limited upward mobility, and local businesses have limited capacity to execute contracts offered by the mines."

ASM activities have contributed to the closing of large-scale mines, such as AngloGold Ashanti's Obuasi mine in 2016 (see chapter 8). There is concern also that ASM do not follow environmental regulations (http://www.wacamghana.org/news/56/ [accessed Mar. 19, 2018]).

This issue relates to the displacement of farmers and the perception of the overall perceived failure of alternative livelihoods programs, which are supposed to foster entrepreneurship and help start businesses in mining communities, funded by the mining companies. There is also concern that youth who leave school to pursue higher incomes in ASM expose themselves to, and create, environmental issues in the process (Twerefou et al 2015, 56).

Beginning with the *Small-scale Mining Law* of 1989 (PNDCL 218)[10], successive governments have tried unsuccessfully to regulate ASM by requiring licenses and registration, restricting their size both in terms of amount of money invested and scale of operations, and proscribing foreign ownership and participation. However, as Tsuma notes, ASM miners find the registration/licensing process burdensome, costly, and unrewarding (Tsuma 2010, 21 & 52). Since 1989, governments have engaged periodically in exercises involving the police and/or army to weed-out and close illegal ASM operations. For example, in 2006, the national government carried out operation “Fight against Illegal Mining”, financed by large mining companies under the auspices of the Ghana Chamber of Mines. The National Security Council organized the operation, using the army to sweep unlicensed miners, destroying equipment and arresting ASM operators. More recently, as noted in section 3.2, in January 2017, the government banned ASM in an effort to mitigate negative environmental impacts and weed out non-Ghanaians operating illegal mines.

According to Hilson et al (2007), governments have made little effort to engage ASM in any meaningful dialogue, and given the problems of land loss, land degradation and high youth unemployment, the problem is not going away. Banchirigah (2006) notes the bureaucratic obstacles to ASM obtaining permits, including fees, a lengthy waiting period, and the need to travel the capital city, Accra, to register. Hilson and Hilson (2017) are quite critical of mining policy in Ghana, stating that the sector has produced few linkages and that there is a “failure to reinvest mining revenues responsibly”. As noted by Ayee et al, no national policy existed to develop backwards or forwards linkages, or try to increase the amount of local processing (Ayee at al 2011, 34). On this issue, Hilson and Okoh (2013, 160) observe:

> Failure to appropriately safeguard ASM has proved to be a significant oversight: its operations provide a greater share of benefits than large-scale mining, generating significant employment opportunities and spawning the growth of downstream industries. It seems inexplicable that, given its obvious contributions to rural economies, the sector continues to feature so peripherally in regional development programs…ASM is an unrivalled employment engine, which, despite not being significantly supported, has delivered these benefits to tens of thousands of impoverished families.

In contrast, **Brew et al (2015, 524), found that around 2/3 of those surveyed in Ghanaian mining communities believe that mining companies do not offer adequate employment or adequate job training**. Tsuma (2010, 54-55), points out that there is an important hierarchy within ASM operations. Concession owners rank at the top; machine

[10] PNDCL 218 has now been consolidated into Act 703.

operators with skills come next, along with operations managers; then come the vast majority of workers, who dig and shovel and do the hard manual labour. ASM teams are often family members and/or informally tied to local authorities and businesses and thereby supported, even with the land and environmental disruption they create. **Tsuma** notes that most ASM production finds its way into the formal gold market, making many intermediaries rich in the process, and feeding local consumption. He states, **"Powerful individuals – who hold top positions in government, traditional councils and in mining multinationals own these (ASM) sites. Such individuals make it difficult to effectively clamp down on the influence of galamsey operations, and keep the local demand for gold by acting as middlemen to the agencies responsible for mining**. These individuals also keep the market chain for mercury open, despite the ban of 1943 which prohibits the trade and use of mercury in any mining operations (55)".

5.7 Other Issues in Mining Governance

Women in Mining

The literature draws attention to women's exclusion from the large-scale mining sector, especially among the highly skilled (and therefore most lucrative jobs) and managerial and executive positions. Women account for less than 5% of the workforce; clearly indicating a lack of representation in the sector (UNDP 2015). The majority of women in mining in Ghana are found in the ASM sector. Here, women often labour in obscurity and often under precarious conditions. Women in ASM generally earn less than men for the same work and face health and safety risks. They undertake particularly arduous and hazardous work, including breaking and shifting rocks and using highly toxic mercury to extract gold. Mercury is especially dangerous for women of childbearing age and pregnant women. Discrimination, marginalization, and exclusion characterize women's experiences as economic actors in mining related areas (Kwame 2007, Ampofo 2014).

Beyond overt discrimination, the literature identifies many structural impediments to women's participation in mining including unequal pay, lack of appropriate safety equipment, the absence of maternity leave provisions, prevailing gendered stereotypes about mining as 'men's work', and organizational patriarchies (Rufai & Sanda 2014). Rufai and Sanda argue that to the extent that development of human capital is necessary to drive the mining industry in Ghana, with females comprising more than half the population it is imperative to recognize that women can and do play a major part in the development of all aspects of the entire mining value chain. However, the absence of a development strategy and national policy to ensure that women participate in and benefit from mining is a major drawback.

Privatization of Public Services

The literature draws attention to problems created when mining companies provide public services. At the local level, **while the DAs have the responsibility of providing public service projects, the mining companies have started to invade this turf through their social investment and foundation activities, for example providing schools and hospitals. In some cases, they work with the DAs, but in others, they provide public services directly. This creates a form of dependency and renders the accountability for public services in local areas unclear at best**. As the ICMM (2015, 7) report notes: "Stakeholders from the communities also acknowledge that they have become more dependent on social amenities provided by the mining companies such as water supply and sanitation facilities, library construction, and school scholarships." Arguably, **bypassing local government weakens the ability of DAs to enhance their capacity and undermines their legitimacy**. However, given the high levels of poverty of the districts in which they operate, **the net result is a virtually unlimited list of demands from community members who believe that public services are simply given, and not paid for through taxes**.

Land Resettlement

There is also concern about land resettlement. Land resettlement, the need for which arises from the displacement of property owners, farmland and farmers by mining, has been a big issue in Ghana. In the Newmont project, for example, property owners were paid funds, but ongoing issues related to their inability to return to farming have continued. Mining companies set up Resettlement Negotiations Committees, however **Twerefou et al 2015 (35) find in a large survey of Ghanaian mining communities that 2/3 of resettled respondents were unaware of negotiations processes. The same proportion said they had nothing to do with the selection of representatives for the committees. In terms of the resettlement packages, 82% found them to be unsatisfactory.** Yankson (2010) conducted a study of the Wassa West district (Tarkwa is the capital). He notes that the loss of land has led to lasting unemployment. For example, even though the Goldfields mining company allowed farming to occur in unmined concession areas, the farmlands were largely abandoned by farmers because of the effects of mining (356). Yankson's survey of the region found that 76% of respondents indicated finding employment was very difficult because of mining, and almost all respondents said poverty in the region increased from the previous decade (357).

Environmental Degradation

Mining is a significant contributory factor to Ghana's high deforestation rate. Schuler et al (2011), examining satellite imagery of Wassa West from 1986-2002 , found that mining resulted in a 58% rate of deforestation and a 45% loss of farmland within mining concessions, which led farmers to spill into forests. Akpalu and Normananyo (2017) state that there is uncontestable deterioration in water and air quality in mining regions in Ghana, costs that are not considered adequately by mining contracts. Concerns around water contamination are also common. For example, in 2006 Canadian firm Golden Star allegedly leaked cyanide into the Aprepre river.

The EPA actually briefly shut down Golden Star's northern operations in 2005 (https://miningwatch.ca/news/2006/7/26/groups-call-action-cyanide-spills-multinational-gold-mine-ghana-international-cyanide, [accessed Mar. 19, 2018]). Along with land displacement, activists accuse the Ghanaian government of using the police to dampen protests over environmental degradation (http://miningwatch.ca/blog/2005/8/25/canadian-mining-companies-destroy-environment-and-community-resources-ghana [accessed Mar. 19, 2018]. However, Essah and Andrews argue that the EPA's standards and environmental rating system, AKOBEN, is unclear and inconsistently applied (Essah and Andrews 2016, 79-80).

A 2009 study for WACAM, an environmental NGO (http://www.wacamghana.org), found unacceptably high levels of water contamination in Tarkwa due to mining runoff. The study reached this conclusion by testing for the presence of heavy metals and the Ph. balance of water levels in the area. It found that most of the natural water resources in the area were polluted, containing high levels of arsenic, manganese, lead and mercury. A 2016 report for the Ford Foundation and WACAM studied the environmental effects of Newmont's Ahafo mine through 70 water and 30 sediment samples in nearby bodies of water and 19 rain samples and found several causes for alarm. These included an increased risk of cancer through contaminated water and air, notably by increased exposure to arsenic, cadmium, and cyanide. The study noted that in 2009 Newmont Ahafo was fined for spilling large amounts of cyanide into water bodies. Similar incidents in 2010 and 2011 whereby large numbers (5,000 in the latter incident) of fish died did not receive attention (14). The 2015 ICMM report (7) argues that environmental destruction comes primarily from illegal ASM. However, they do not provide any empirical evidence for this claim.

PART 3: CASE STUDIES

Part 3 examines three mining companies and the monitoring and evaluation of their community benefit agreements – Newmont Gold Ghana Ltd (Ahafo), Golden Star Resources (Bogoso/Prestea) and AngloGold Ashanti (Iduapriem/Tarkwa). In each of the cases, we provide a brief historical account of the company's activities in each community and their CBAs, and then present our research findings – the interviews and survey results – in depth. We conclude each case study with a brief discussion of the findings of other studies/reports.

Chapter 6 Case Study 1: Newmont Gold Ghana Ltd[11]

6.1 Overview of Newmont

The Newmont mine in the Brong-Ahafo region of Ghana opened in 2006. Newmont came into Ahafo as part of its takeover of Normandy, an Australian gold mining company, in 2002. Newmont sees its program in Ahafo as a flagship case for corporate social responsibility (CSR). For example, Newmont, out of necessity, gives ASM miners access to gold above the water level (Luning and Pijpers 2017). The 2016 Chamber of Mines report states that **Newmont earned $434.7 milliom in 2016 revenues (31). Based on Ghana's EITI report, in 2013, Newmont paid a total royalty payment of $10.9 million and $40.2 million in corporate income taxes related to its Brong-Ahafo concession**. Newmont participates in EITI and the conflict-free gold program.

The company created the Ahafo Social Responsibility Agreement that, along with the Newmont Ahafo Development Foundation (NADef, discussed below), is considered a model for other mining companies, and is a recipient of numerous awards. The creation of the Social Responsibility Agreement and NADef occurred even though Ghana does not require mining companies to have benefit agreements with the communities in which they operate. According to a report commissioned by Newmont in 2011 (Kapstein and Kim 2011), the company contributes nearly 10% of national exports, 4.5% of total FDI and 1.3% of GDP, created 48,000 jobs (both direct and indirect) in 2009, and provided 99 local companies with $6 million in contracts. Payments to the government in 2009 were nearly $40 million, or 1% of government revenues (28). In 2006, the EPA granted it an environmental permit, and the IFC (International Finance Corporation) approved a loan of $125 million for the project. The same report suggests that Newmont brought new infrastructure, such as roads, communication systems, and electrification to the region (20). According to the agreement provided by the NADef, maintenance of completed infrastructure projects are the joint responsibility of the community and the District Assembly (Loutit et al 2016, 87). A 2010 study of three communities close to

[11] Our findings are consonant with a previous CIRDI study. See the 2018 CIRDI Report, "Implementing the Ahafo Benefit Agreements" by Boayake et al, found at: https://cirdi.ca/report-implementing-the-ahafo-benefit-agreements/

the mine reported "overwhelming community acceptance" on the basis of expectations around community development, employment and compensation, and responsible corporate behavior (Danso et al 2016, 173).

In 2009, the company had 1,731 direct employees (Kapstein and Kim 2011, 28-9). According to the company website (https://www.newmont.com/operations-and-projects/africa/ahafo-ghana/operation-facts/default.aspx [accessed: Mar. 29, 2018]), this number rose to **2,500 in 2018. Of the employees, in 2009, 36% were locals**, in keeping with the company's commitment to have at least 35% locals; subsequently reduced in 2014 to 24%. Women represent 11% of the labor force. Employee turnover is low at 3% in 2009 (35-6). The company spent $3.2 million on training in 2009. It operates an apprenticeship program where participants earn a London City & Guilds Training Certificate. In 2009, 54 were trained, with another 50 scheduled for coming years. In addition, another 80 places were available for training of "national service" participants and recent university graduates (37). **Newmont has won several international awards regarding local procurement**. It set up the Ahafo Linkages Program (ALP) with the IFC to address such issues. The ALP aims to build the capacity of small local suppliers, including those not directly involved in mining, and provide institutional capacity building for local business associations and consulting firms (Kapstein and Kim 2011, 38-9). Newmont also received a 2016 Award for Corporate Excellence in Labor and Human Rights from the US Dept. of State.

Resettlement negotiation committees (RNCs) have been created that are supposed to help the company negotiate with the estimated 9,500 displaced residents from each community, mostly subsistence farmers, which led to major protests at the outset of mining. Newmont also provided private access to land using the customary sharecropping system and, through an agreement with the chiefs and traditional authorities of Ntotoroso and Kenyase No. 2, provided access to 1-2 acres of stool land for 2 years after which farmers could negotiate longer-term deals with the traditional authorities (Mares 2012). **Newmont runs the Agricultural Improvement and Land Access Program (AILAP) to help displaced farmers with inputs, such as seed, fertilizer, and herbicides**. It provided 1 million cedis to 4,000 farmers**. In addition, the company created the Livelihood Enhancement/ Empowerment Program (LEEP), the Skills Development and Income Improvement Program with $3.5 million and at $1.6 million, the Vulnerable Peoples Program, to help those displaced by its operations**. The Ahafo Agribusiness Growth Initiative, run with other donors, focuses on 8 communities in the South Ahafo region, helping to improve productivity, management, and access to micro-finance (Kapstein and Kim 2011, 40-44).

Newmont created the NADeF, run by a board with community and corporate representation**. The Foundation receives $1 per ounce of gold sold and 1% of net profits earned by the company**. As of 2009, NADeF had received $4.3 million in funding. Projects include constructing teachers' quarters, water supply and sanitation, library construction, and

1000 scholarships (Kapstein and Kim 2011, 45). **From 2008-13, 10% of contributions went into a long-term endowment fund to provide for economic development after the mine closes; the amount increased to 15% after** (Danso et al 2016, 174). **Newmont also supports health initiatives**, including the renovation of the Kenyasi Health Center and the construction of nurses' quarters and working with the Asutifi District Assembly to construct 3 health compounds in local villages (Kapstein and Kim 2011, 47). **The Ahafo Social Responsibility Forum (ASRF) was an organizational innovation by Newmont and one of the main reasons for its celebrated status, designed to inform the company about community concerns and allocate NADeF funds**. The ASRF includes a moderator and co-moderator, all local Chiefs, the District Chiefs of Tano North and the Asutifi Distrcts, 3 Newmont Managers, and 3 MPs from the region. It also includes the Chief Farmers from Tano North and Asutifi, 6 elected representatives from women's groups (3 from each district), one youth representative from each community/town, and one NGO representative from Tano North and one from Asutifi (SRC 2010, 62).

6.2 Interviews in Kenyasi Community

As we noted earlier, despite numerous efforts by various means, both Newmont and NADef declined interviews. In Kenyasi, we interviewed leaders of two youth groups, a leader of a women's group, one local chief, a senior official at the DA, and visited an ASM mining site where we spoke to the owner. **There was a consistent extremely negative view of the company**, except for the ASM mine owner who said he had nothing to do with the company community because he was in a site where they could not operate. All interviewees except the DA official said that the company had not delivered on its promises. **All, except the DA official, said that the national government was absent**. A few gave the example that the EPA only came in response to a cyanide spillage after activists raised a furor. **All agreed that land resettlement remained an unsettled issue, and that those who obtained cash, or a house, did not feel adequately compensated and did not have an alternative livelihood. All, except the DA official and the chief, felt that the traditional authorities were unreliable representatives of the community as they were too closely tied to company contracts**.

It is interesting to note that the chief we interviewed was nonetheless highly critical of mining, stating that local youth were not getting adequate opportunities to work or improve their position. The youth leaders noted that if anyone complained they would not get work, and that chiefs and the DA were 'rewarded' by Newmont for the absence of any protests in the community. All interviewees agreed that creating employment opportunities for youth in the communities was a major issue. The DA official suggested that some among the youth had 'unreasonable' expectations with respect to employment in the mines, noting the relatively low skill labour capacity of youth members.

There were also perceptions of serious process issues. The chief said that he was "out of the country" when the first CBA was concluded, and when pressed he admitted he had not prepared for the negotiations, and instead took the company's word. He said, "Everything started out very positive, but all went downhill after the mining started". All, except the DA official, felt that the NADeF did not adequately reflect the community's priorities. Instead, it reflected a hidden agenda and/or veto control by the company over projects. All, except the chief and the women's group representative (whose organization was funded by the company), viewed the NADef Forum, designed to represent all the key stakeholders, as being problematic.

Other groups felt that the NADef Forum did not allow free discussion, and biased the allocation of the membership in favour of the company, government, and traditional authorities. When asked about the selection of Forum representatives, only the youth leaders said that they had elections. Still, we also heard from some that the youth groups were male-dominated. There was also controversy about the NADef Endowment Fund, with some advocating the immediate spending of funds. In contrast, the DA official suggested that there were good 'legacy projects', including a local hospital, and that there was enough transparency in the hiring process, but that the community lacked "trust". Moreover, he noted the creation of a local technical training institute in 2009 to help close the skills gap. The DA official also noted in this regard the increasing incorporation of youth into discussions, but noted the disorganization and unpreparedness of some youth groups. The women's group representative lauded the company's efforts to help educate and empower women in the region. They mentioned several campaigns including the provision of microcredit and efforts to combat teen pregnancy.

In terms of monitoring and evaluation, **several groups said that the community should control the Foundation including the executive director, not the company. They also called for an independent external agent (someone who knows the community but is also an expert, or a committee of both, to monitor the benefits of the agreement**. There are no baseline surveys of the area to compare community conditions. However, during our field visit we observed widespread poverty, basic/rudimentary housing lacking running water and adequate sanitation, and unpaved roads in very poor condition. Youth unemployment appears to be very high and members of youth groups were dissatisfied and in some cases visibly angry, feeling ignored by the company and the chiefs in the community. The ASM owner said he used to employ 1500 people, but now is down to 300 because of lower prices and finds. When asked why he was engaged in such a controversial and dangerous industry, he eloquently replied, "You know, we all have to get our daily bread." When asked what it would take to get he and other local miners licensed, he said that he was in the process of obtaining a license but that the cumbersome process and costs of licensing (which had to be done in the capital, Accra) were prohibitive. He said he would love to see not only legalization, but also government support for local mining. He said he had "no problems whatsoever" in selling any gold he found.

At a very minimum, our interviews revealed there is a clear perceptions problem in the Kenyasi community regarding the benefits of mining. The chief echoed others' sentiments when he stated that the company officials came and stayed in their own camps or in Sunyani (30 mins away by road) and so were out of touch with the community. When asked about what he would do to prepare for the upcoming agreement renewal negotiations (staring in May 2018), the chief said they would like to hire some lawyers and professional negotiators. While we were there, much to our surprise, the chief and other groups urged us to come back and give a workshop to help the community prepare for the negotiations. We pointed out that as researchers we could not step into negotiations, however, we could give some examples and experiences from other benefit agreements of how the community organized itself and made its priorities to prepare for negotiations.[12]

6.3 Survey Results for Kenyasi Community

We had 100 survey responses from the Kenyasi community. Of the respondents, 17% were unemployed. Of those who were employed, 15% work in a mining-related occupation, 14% described their occupation as 'driver' (i.e., of taxis or 'tro-tro' – the local bus services), 11% were involved in business/commercial activity, and 11% described themselves as 'skilled'. In terms of gender, 65% were male, the average age of respondents was 31 years, and 72% of respondents had secondary education and 16% had tertiary.

When asked about their level of knowledge about the mining industry (on a 4-point scale ranging from 'none' to 'a little') 52.7% indicated they had 'some knowledge' while 33.3% had 'a little' knowledge. In response to questions about their knowledge of CBAs and of the specific benefits promised by the mining company (scaled from 'no knowledge' to 'expert knowledge') 66% had 'minimal knowledge' and 27% had 'average knowledge', while 71% indicated they had 'minimal' awareness of specific benefits promised to the community. When asked their opinion on the overall benefits of mining to their communities to date (scaled from 'none' to 'a great deal') 19% indicated 'none', 48% 'a little', and 24% 'some'; and about the outcomes of CBAs (scaled from 'harmful' to 'brings important benefits to the community') 78% indicated that CBAs made 'no difference' in their communities. In response to questions regarding the level of stakeholder acceptance of mining, on a 4-point scale of 'none' to 'consensus', 59% indicated 'none'.

The question asking their views on the relationships among key stakeholders (community, mining company, national government, local government, and traditional authorities/chiefs) elicited interesting responses. On a 4-point scale ranging from 'extremely poor' to 'excellent', 67% rated the community-company relationship as 'extremely poor' and 17.2% as 'poor'; 72% rated the company-government relationship as 'excellent' and 25% as

[12] In response, Ben Boayake, Executive Director of the Accra-based ACEP (Africa Centre for Energy Policy) and part of Dr. Eric Werker's team, held a workshop for the community in July 2018 to prepare for upcoming renegotiations of the CBA.

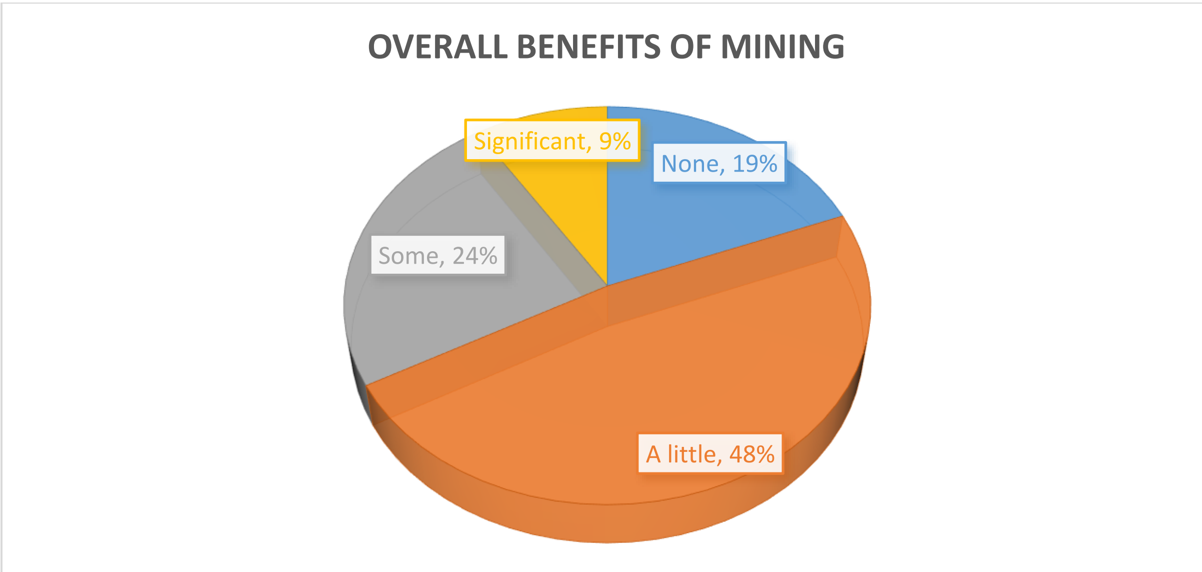
‘good’; 43% rated the community-national government relationship as ‘good’ and 33% as ‘excellent’; while 49% rated the local government-national government relationship as ‘excellent’. A majority, 62%, rated the community-traditional authority relationship as ‘extremely poor’ and 26% as ‘poor’; while 53% saw the community-DA relationship as ‘neutral’ and 24% as ‘good’.

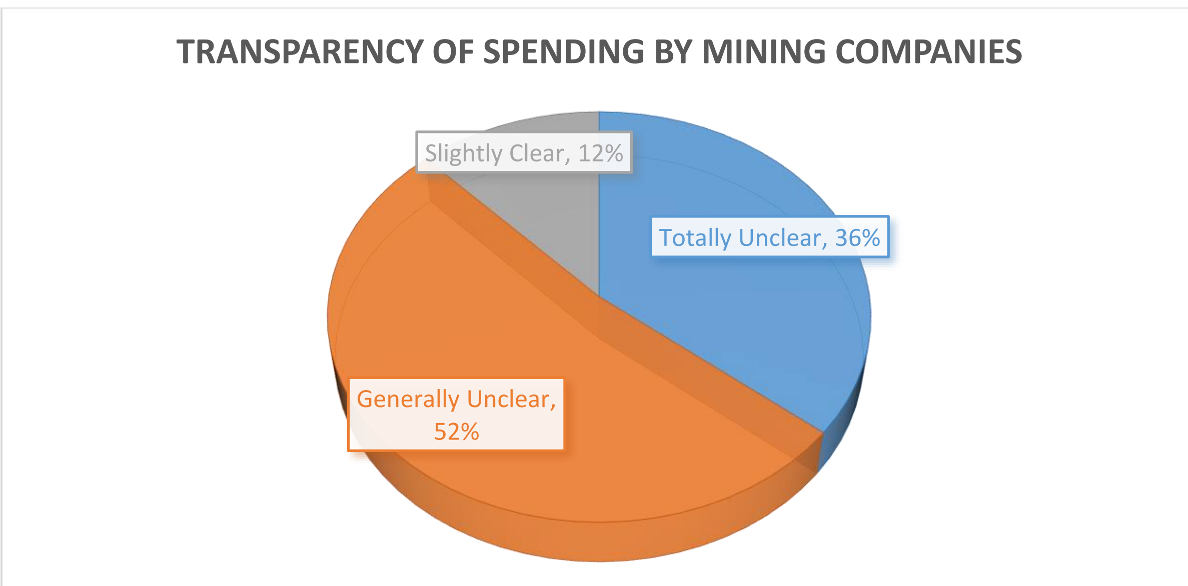
The survey also elicited respondents’ opinions on how they would prioritize a suggested list of possible benefits accruing from mining. On a 4-point scale ranging from ‘unimportant’ to ‘absolutely vital’, 30.5% indicated that ‘increased revenues to the national government’ was ‘important’; 65.3% indicated ‘direct cash payments to community members’ to be ‘absolutely vital’; and 96% indicated that ‘infrastructure’ and 97% ‘education’ was ‘absolutely vital’. A significant majority viewed ‘Healthcare’ and ‘employment and training’ (96% and 95% respectively) as ‘absolutely vital’, with 91% giving the same level of priority to ‘environmental protection’. Considered ‘absolutely vital’ by 85% was targeting investments to ‘marginalized communities’; with 34% giving the same level of priority to ‘improved government capacity to deliver services’, and 73% to ‘local procurement’.

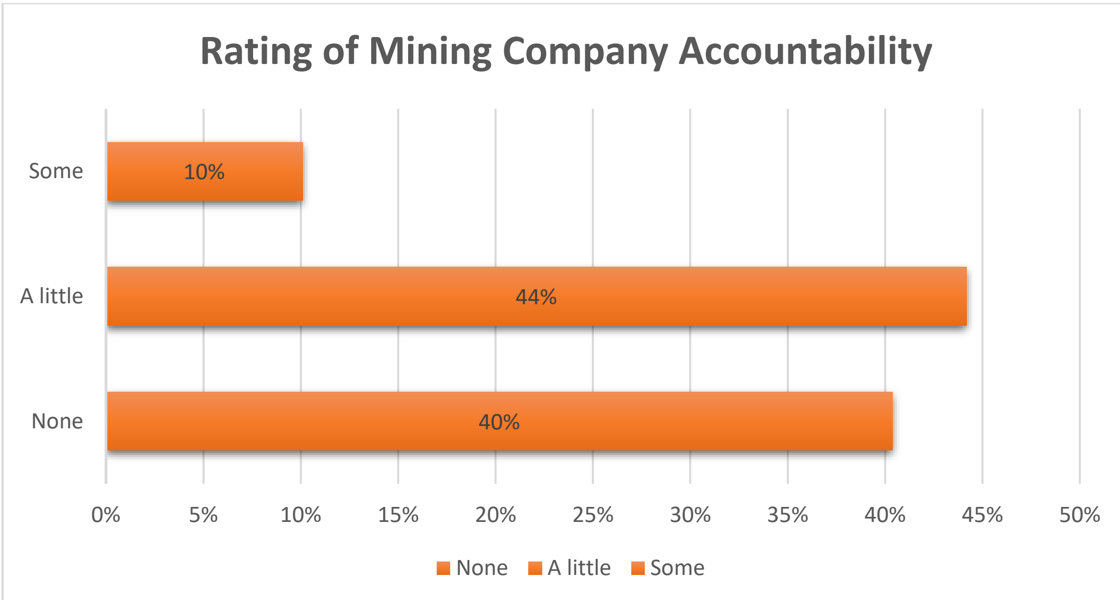
When asked about who was responsible for public services delivery, on a 10-point scale with 10 being the most important, 79% gave the company 9 points, 71% assigned 9 points to national government, 63% assigned 9 points to traditional authorities, with 37% assigning the same score to DAs and 25% to NGOs. On the question of accountability, on a 4-point scale ranging from ‘none’ to ‘a great deal’, 62.2% answered ‘none’ to the company’s accountability for delivering community benefits; 71.4% indicated ‘none’ regarding the national government’s accountability for public services delivery; and 69.4% indicating ‘none’ to the DA’s accountability for public services. On the question of where they obtained information regarding how the company spends community benefit funds, 16% of respondents indicated they had no information, 59% obtained information from the mining company, 1% from government, 14% from NGOs, and 44% obtained information by word of mouth.

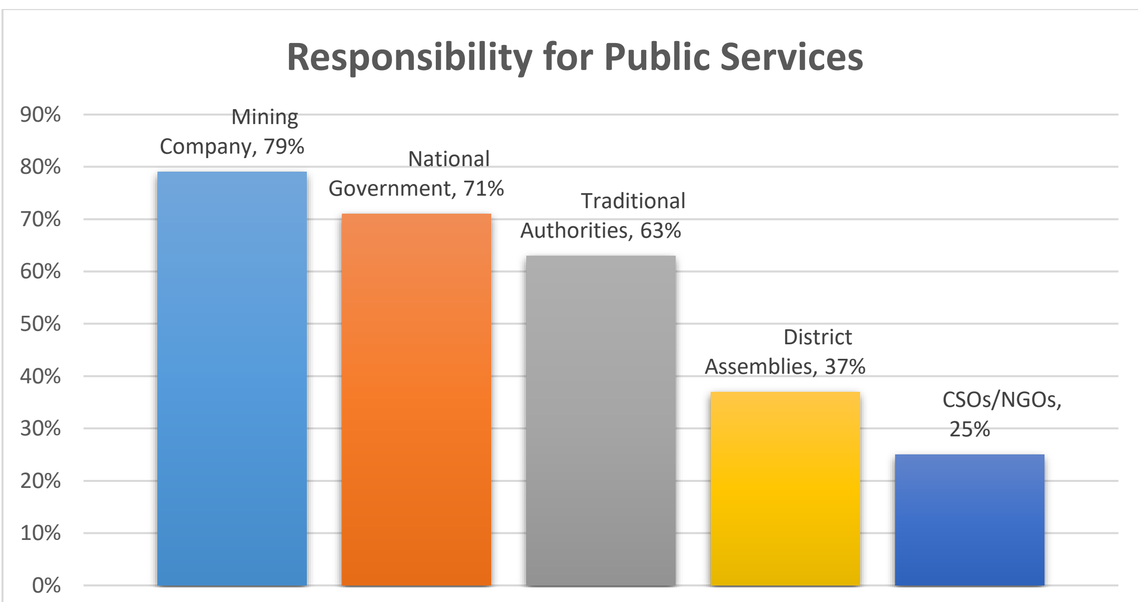
The survey also elicited responses on the monitoring and evaluation of CBAs. When asked who should monitor these agreements 6% said the companies, 12% identified the national government, 18% the DAs, 36% traditional authorities, 61% identified third-party experts, 34% community leaders, and 7% identified the ‘community as a whole’. On the question of evaluation, 5% indicated that the company should evaluate agreements, 6% the government, 52.5% identified third-party, 42% community leaders, and 7% the ‘community as a whole’. Regarding when evaluation should occur, 2% indicated ‘end of project’, 3% the ‘middle’, 18% ‘annually’, 36% said evaluation should be ‘ongoing’, and 21% said it should occur ‘quarterly’. The question of what should be included in a monitoring and evaluation system elicited the following responses: 93% indicated ‘amount spent’, 94% ‘the number of projects’, 89% ‘relevance of project to community needs’, 87% ‘promised goods and services were delivered’, 83% ‘measurable outcomes’, 85% identified ‘community feels positively about outcomes’, and 7% ‘clear socioeconomic improvement’ in mining community conditions. The final survey question asked respondents to make any additional comments or expand on any of their responses, to which 47% of respondents in Kenyasi commented on the vital need for employment in the community.

The following graphs summarize some of the key findings from our survey of Kenyasi residents:









Despite its numerous awards, then, our interview observations and survey data on the Newmont case shows the central issues are a lack of knowledge about, lack of trust or confidence in, and high expectations but poor perceptions of, the benefits from mining and CBAs in the community. Table 4.1 below summarizes the results of the survey.

Table 6.1 Summary of Survey Results – Kenyasi Community

Demographics

Number of Respondents	100
Percentage Working in Mining	15%
Occupation	17% Unemployed; 14 Driver; 11% skilled; 11% Business
Gender	65% Male
Average Age	31 years
Highest Education Level	72% Secondary; 16% Tertiary

Survey Responses

Question	**Responses (percentages)**
Knowledge of Mining Industry	Some 52.7%; A little 33.3%
Knowledge of CBAs	Minimal 66%; Average 27%
Awareness of Specific Benefits	Minimal 71%
Transparency of Spending by Mining Company	Totally Unclear 35.7%; Generally Unclear 52%
Overall Benefits of Mining	None 19%; A little 48%; Some 24%
Rating of CBA Outcomes	No Difference 78%
Level of Stakeholder Acceptance of Mining	A little 59%; Some 25%
Evaluation of Regulatory Framework	Slightly Effective 72%; Not Effective 14%
Rating of Mining Company Accountability	None 40.4%; A little 44.2%; Some 10.1%
Relationships Among Stakeholders:	
Community & Mining Company	Extremely Poor 67%; Poor 17.2%
Mining Company & Government	Excellent 72%; Good 25%
Community & Government	Excellent 33%; Good 43%; Neutral 10%; Poor 10%
Local & National Gov't	Excellent 49%; Good 45%
Community & Chiefs	Extremely Poor 62%; Poor 26%
Community & DA	Good 24%; Neutral 53%;
Priorities for Benefit Agreements:	
Increased Revenues	Important 30.5; Unimportant 30%
Direct Cash to Community	Vital 65.3%
Infrastructure Development	Vital 96%
Education	Vital 97%
Healthcare	Vital 96%
Employment & Training	Vital 95%
Environmental Protection	Vital 91%
Marginalized Individuals & Groups	Vital 85%
Increase Local Gov't Capacity	Vital 34%
Local Procurement	Vital 73%
Responsibility for Public Services:	
Mining Company	79%

National Government	71%
Traditional Authorities	63%
District Assemblies	37%
CSOs/NGOs	25%
Level of Accountability for Community Benefits:	
Mining Company	A little 28.6%; None 62.2%
National Government	A little 21.4%; None 71.4%
District Assembles	A little 24.5%; None 69.4%
Who Should Monitor CBAs?	
Mining Company	6%
National Government	12%
Regional Government	0%
District Assemblies	18%
Traditional Authorities	36%
3rd Party Experts	61%
Community Leaders/Reps	34%
Community as a Whole	7%
Who Should Evaluate CBAs?	
Mining Company	5%
National Government	6%
3rd Party Expert	77%
Community Leaders/Reps	42%
Community as a Whole	7%
When Should Evaluation Take Place?	
End of Project	2%
Middle and End	3%
Annually	18%
Ongoing	36%
Quarterly	21%
What Should be Evaluated?	
Amount Spent	93%
Number of Projects	94%
Relevance of Projects to Needs	89%
Delivery of Promised Goods/Services	87%
Delivery with Measurable Outcomes	83%
Community feels Positively	85%
Clear Socioeconomic Improvement	7%

6.4 Outside Studies and Reports on Newmont

Other studies, particularly those not commissioned by the company, reinforce our findings on ongoing community discontent after the CBA was put in place. Kapstein and Kim's company commissioned report (2011, 53) includes the important recommendation to conduct a broader socio-economic survey of the region to see the wider impact of mining. SRC's 2010 report on mining in Ghana (84) also suggests, "Reports should be based on achievements relative to targets or external benchmarks." A study by Aboagye (2014) revealed a prevailing sentiment in affected communities about the lack of representation of farmers in negotiations with Newmont and the inadequacy of the compensation offered to displaced farmers. This reflects the fact that Newmont dealt with land claims collectively, based on cash per acre, which did not take into account differences among farmers such as the quality of the crops in their land. A Compensation Negotiation Committee at the outset of the licensing process (2006) approved this process. The committee included district assembly and local chiefs, however, notes or reporting of discussions were proscribed (Sydow 2016, 227-8). According to Sydow (2016, 229-30), Newmont uses the local chiefs and district officials to control the local discourse around mining. News reports suggested that Newmont paid the chiefs and extra $8,000 in "allowances", with Sydow suggesting it was for silence. Furthermore, Lawson and Bentil (2013, 233) report that communities in the Ahafo area believe that the information they received from traditional authorities was "overly positive and was farthest from reality."

Regarding NADef, Danso et al (2016) note issues around the ability of the 10 affected communities to reach an agreement and around the capacity of the district assemblies to implement projects. They also note uneven implementation across communities, creating resentment in those where projects lag. Furthermore, local authorities are reluctant to adopt open contracting procedures (Danso et al 2016, 178-80). On the issue of employment of locals, Newmont's 2009 Community Relations Review has an independently written consultant's section on the Ahafo project that reports challenges with ensuring the employment goes to true "locals" of the region, and allegations of corruption in hiring decisions around the influence of local chiefs. There is also a perception that the locals are receiving mostly unskilled jobs (Sec. 9, 92-4, 98). A 2016 report by Yamoah Tenkorang criticizes Newmont for neglecting women in the Ahafo region. She notes the exclusion of women from the supply chain, and how the loss of access to land and forest hits them particularly hard. She also notes that males receive preferential treatment in compensation and resettlement issues. She found that roads had deteriorated due to mine equipment transport. Health facilities in the district were poor due to a lack of staff and facilities, though a new ambulance was positive. There were wider social effects due to the migration of family members to look for work; inflationary pressures from mining increasing local prices; yet 95% said that they were not able to find employment in mining. The respondents suggested that the local Chiefs selected individuals for employment. Some, however, received startup capital from the Foundation.

All does not appear to be well. On Aug 1, 2017, youth demonstrated against the Ahafo mine (Boateng 2017). There have been ongoing concerns about high youth unemployment and disparity in pay for expatriates (vs. locals). **Lawson and Bentil (2013, 227-30 & 234) report that the social services provided by Newmont, particularly in regard to sanitation, schools, and health care, are seen as inadequate by residents. There is also general disappointment with the numbers of jobs created, the lack of improvement in monthly incomes, or the ability to acquire property. Compounding this is the migration that the mine caused, with people, primarily youth, moving into the area to seek employment. Effectively, then, according to Lawson and Bentil, mining companies are being viewed as surrogate government due to "an overall lack of engagement and action by government agencies and high expectations of local communities**".

Chapter 7 Case Study 2: Golden Star Resources Ghana Ltd

7.1 Overview of Golden Star Resources

Golden Star Resources Ghana Ltd (GSR) was created in 1992 through an amalgamation of South American Goldfields Inc. and Golden Star Resources Ltd. It has holdings across Latin America and Africa. GSR acquired a 70% interest in the Bogoso site in the Ashanti gold belt of Western Ghana in 1999. It later acquired a further 20% from Anvil Mining NL. GSR owns 90% of its operations in Ghana, with the Government owning the remaining 10%. The capital cost of the mine was $14 million. The company won the Best Safe Mine award in 1999. Golden Star entered into a joint venture with Prestea Gold Resources in 2002 on a concession in the same region (Phelps 2002). GSR acquired the Wassa mine in Ghana in 2002. GSR subsequently moved its headquarters to Toronto, Canada. **The 2016 Chamber of Mines report states that GSR earned $112 million in Bogoso-Prestea and $129 million through its Wassa mine in 2016 revenues. Based on Ghana's EITI report, in 2013, GSR paid $5.9 million in royalties and $10.8 million in corporate income tax for the Wassa mine and $5.3 million in royalties and no corporate taxes for the Prestea mine.**

We obtained copies of three agreements reached between GSR and the Prestea/Bogoso mining communities – a Corporate Social Responsibility Agreement dated October 31, 2012; a Relationship and Sustainable Livelihood Agreement of October 31, 2012; and a Local Employment Agreement, also of October 31, 2012. **Although the company's CBAs are not publicly available, we obtained copies at its HQ in Accra**. The Corporate Social Responsibility Agreement established a Development Foundation, endorsed by the company and the Wassa Fiase and Wassa Amenfi Traditional Councils, and "authorized representatives" of the surrounding communities (Bogoso, Prestea, Himan, Bondaye, Mbease Nsuta, Bopposh, Ehiyerso Adaamanso, and Dumasi). The agreement begins by stating that the company is committed to the economic and social development of the community and to maintaining "peace and harmony" between the company and community. **The Foundation receives $1/oz. of gold sold by the company and 0.1% of pre-tax profits from the mine.** The proportion may be lower than Newmont's in part because GSR also funds an oil palm plantation project, described below. The agreement provides for the allocation of 90% of funds for community projects, with 10% set aside for investment, during the first 5 years; and the allocation of 85% of funds with 15% invested thereafter. There is a non-disclosure clause attached to the finances of the Foundation, and a complex formula for the sharing of the revenues by town/community as noted in the employment agreement below. **In 2014, the Foundation received $260,000 (for a cumulative total of $2.9 million), and had costs of $19,000 (GSR 2015, 253)**.

The Foundation seeks sustainable development, which has a very interesting set of definitions, as “development that”:

- Lasts from generation to generation
- Is based on actual needs of the community
- Serves the majority of the people
- Is owned by the majority of the people
- Is well planned and can be monitored and evaluated
- Has long-term benefits
- Is aligned with the social responsibility agreement between company and community

The agreement then lists the following as possible categories for projects as well as the proportion of funds allocated to each category:

- Human resource development (25%): scholarship and pre-job training
- Infrastructure (30%): potable water, electricity, roads, upgrading of clinics/health care centres; schools, toilet facilities, incinerators
- Social Amenities (23%): community centre; police posts; library
- Cultural heritage and sports (12)%: festivals; palaces; cross cultural activities; sports; protocols

Natural resource protection projects receive 10% of funds allocated. **Each town receives a set proportion of its money according to its sectoral priorities**, but the agreement leaves open the possibility for “other sustainable development” projects.

A Board of Trustees, comprising five members, manages the Foundation: a chair and two members nominated by the Company; two members nominated by the Community (at least one of whom does not belong to the Mediation Committee), and the Community Affairs and Sustainability Manager of the Company who acts as the Secretary. They serve renewable 3-year terms. The Board controls the finances of the Foundation and submits an annual report**. GSR established two types of community consultation – a Community Consultative Committee (CCC) and a Community-Mines Consultative Committee (CMCC). The CCC creates a needs assessment of relevant communities and then makes proposals for expenditures**. The CCC membership includes each town, and varies slightly by town, but in general includes: a Divisional Chief or Odikro (a chiefs' development NGO) and a representative of each of the following: elders, unit committee chairmen, District Assembly members, Market Women Association; Local Council of Churches; Muslim/Ahmadiyya Council; Youth Association; and Chief Farmer. For infrastructure, projects, the company pledges to work with the appropriate government agency, with the plan to give maintenance and operation to government. The CCC may submit project proposals for non-infrastructural or infrastructural projects. **The CMCC, which includes GSR staff as members, approves proposals made by the CCC for infrastructure projects**. The review of tenders occurs through a competitive bidding process, with at least two community members present. The Chiefs agree to provide land for such projects.

Projects funded by the Foundation have included schools, electricity poles, boreholes, health clinics, nurses housing, medical equipment, and infrastructure requested by the community (Ayisi and Akabazaa 2010). GSR works with international NGOs to provide services. For example, in 2012 it worked with International SOs to provide improved malaria testing and treatment. It also created a youth apprenticeship program, in skills such as welding and drill rig maintenance, fixed plant, and heavy equipment and pump operations related to company mining. In 2013, GSR allied with the German development agency (GIZ) and the Ghana Health Service to strengthen local health stewardship through constructing a rural health clinic in Bogoso (Oppong 2016, 424). The company also provides scholarships to students and dependents of employees to attend secondary school (GSR 2015, 254). GSR also supports clean water and in 2015 collaborated in a campaign with GIZ and other mining companies around breast cancer awareness that included screening for over 4,000 women and girls (http://www.gsr.com/responsibility/community-initiatives/default.aspx [acccessed: Mar. 30, 2018]).

GSR also created the Golden Star Oil Palm Plantation (GSOPP) in 2006 to provide alternative livelihoods. Each displaced farmer received 4 hectares of land from the Chiefs to cultivate as well as access to other land for food cropping. **GSR states in a 2015 report that GSOPP provides start up loans to farmers. It provided $4.9 m. in funding as of 2014**. The programme established 823 ha of plantations and 100 ha of "out-grower" plantations as of 2014, which had sold over 7500 tons of palm oil fruit. In addition, GSR created the Golden Star Skills Training and Employability Program (GSSTEP) to provide training in practical skills unrelated to mining, such as masonry, cooking, carpentry, mobile phone repairs, electrical, beads and jewelry making, hair dressing, fabric bags and sandals making, among others. GSR also created a community development partnership with GIZ to help further improve outcomes through the GSOPP. The program will reach out to approximately 15,000 people, including 240 smallholder farmers, 500 part time workers, 720 families, and some 13,500 members of the immediate communities (Golden Star Resources, Sustainable Livelihood Programmes, 2016).

The Relationship and Sustainable Livelihood Agreement sets out the broad policies, principles, and procedures governing the company's activities in and relationship with the communities, and the framework for the governance and community participation in decision-making. It identifies, for example, a Mediation Committee, a Standing Committee, and a Complaints Resolution Committee. It also identifies roles of the chiefs, community members, DA, and the company. In the Local Employment Agreement between Golden Star and the Bogoso/Prestea Mine Community, endorsed by the company, and the Wassa Fiase and Wassa Amenfi Traditional Councils, GSR agrees to prefer locals ("validated citizens", or those who have lived in adjacent communities for 20 years), who should constitute 80% of unskilled new positions. It also pledges to fill 40% of skilled positions with locals in 5 years. The Mediation

Committee will receive annual statistics on hiring from the company. Validation occurs through certification by the Assembly leader, the divisional chief, and a youth leader. There is a complicated proportional formula for filling employment by town, including 45% to towns where mining activity is greatest and 10% to towns that "show the greatest commitment" to the agreement. The company promises internships and on the job training programs. A Complaints Resolution Committee settles all complaints.

GSR's website reports that there were 1,056 employees at the Wassa site in 2016; in Prestea, there were 715 employees and 1,197 contractors ([accessed: Mar. 29, 2018]). GSR's 2016 Corporate Sustainability Report gives the following statements**. First, 99% of its workforce is from Ghana; 51% of the workforce comes from host communities; and Ghanaian companies provide more than 84% of the goods and value. It reports that it paid $36.6 million to the government in 2016, including $11.1 million in 2016, for a total of $324.3 million in cumulative government payments. It also provided royalty payments to traditional authorities, stool lands, and district assemblies**. The company provides cross-cultural awareness training. It funded screening of 10,000 women for breast cancer. It states, "Open, honest, and frequent communication is essential for meaningful engagement with stakeholders and to establish a foundation of trust and respect between all parties (8)". It reports on support for the formation of an umbrella company called Local Companies in Mining Services, which it states can compete for business across "the wider Ghanaian industrial setting" (12). GSR created a new youth NGO called Maintenance Sustainability Africa, which converted a refuse site into parkland. GSR participates in the EITI, the Global Compact, and its report embraces the SDGs. However, the community benefits agreements are not public, nor are there any publicly available audits.

7.2 Interviews in Prestea/Bosgoso

In Prestea/Bogoso, through making some enquiries, we were able to set up an interview with an assemblyperson, with persons working for local NGOs, and with the DA staff. Despite several efforts, the local chief was not available. Although we were unable to interview GSR staff when we were in Prestea, we did manage to arrange a video interview at GSR headquarters in Accra with a staff person associated with the company's CBAs in Prestea.

Several interviewees were wistful about the days of the government-run State Gold Mining Corporation founded in the 1960s (see section 3.1). One said, "The company and the government were one, they provided employment, they even brought electricity and created street lighting." However, the person also noted that perhaps that was the reason why the state-run company was unsustainable. **We found the stories we heard were very consonant with those in Kenyasi**. Several interviewees said that the company had not fulfilled its promises. Just as with Newmont, **there was great concern about the shift to underground mining, which employs fewer people. Water and land compensation were similarly problematic.**

All also noted the limited role and capacity of the DA, which was more in the area of planning infrastructure projects and presenting them to the company. Other than the DA, there were grave doubts cast about both the genuine commitment of the company to community improvement and the perceived alliance of the local government, traditional authorities, and national government with the company instead of the community.

Concerning **previous cyanide spillages** in the area, several interviewees noted the negative effects on animals and children, and one person noted that compensation was limited to 50 cedis/person (about $12). When asked about the role of the EPA, one person told us "they stay with them", gesturing towards the company site, further noting that EPA staff also "eat with them" (i.e., the company) and rely upon company transport. Another said that the EPA means well, but "they are short of men." On the issue of employment, one person pointed out that **most jobs were unskilled and that chiefs and political parties tended to sway employment to cronies. There was no formal or clear difference in the division of labour between chiefs and the DA.** The chiefs are supposed to verify that the person hired was local. Several suggested bias in the way chiefs awarded contracts, and that the company thought they needed the chiefs' support. **Several noted the blacklisting of people who complained, which negatively affected the awarding of contracts (also heard in Kenyasi).**

The DA staff person said that there were clear positive economic benefits from GSR, including employment, hiring of local contractors, and investment for farmers. He said that there were cordial formal and informal ties among the DAs, the Chiefs, and the company. **There were also positive reviews of some of the company's Foundation's activities, including scholarships, schools, and a community health center.** They noted that the company also invested in the Bogoso market and subsidized a furniture venture. When asked about the selection of projects, an interviewee stated it was the CMCC and the DA. However, several also said that they thought the company imposed projects on the community. The DA staff person disagreed, stating that the DAs and the company based infrastructure projects upon community needs assessments. A couple stated that the Chiefs sometimes contribute to projects. One interviewee said that the company had sectoral percentages for its project funds, but in the disbursement of such monies, the company found ways to combine available funds for larger projects. When asked about the role of the regional or national governments, the DA staff person said that national government just tracked financial flows, but the EPA was also present.

The central differentiating feature in this case is GSR's oil palm plantation, given originally to resettled farmers. **In general, we received positive views on this oil palm project**. Initially the company provided inputs to the resettled farmers, and initially paid transport costs. The farmers, however, now pay for farming inputs and the cost of transporting the oil palms to a refinery to make oil. **There is only one refinery in the area, so it is an effective monopsony**. The company does provide loans to farmers. Each farmer received approximately 4 hectares, purchased by the company from the local chiefs. Reportedly, production levels have been increasing. **When asked about whether others could join the venture, one person said that they had to buy in** (pay for the land and the inputs). From our interviews, we gathered that GSR would like to wean its funding to the oil palm plantation and push it to be independently financially viable.

In terms of monitoring and evaluation, **interviewees in Bogoso/Prestea found discouraging the fact that the benefits agreements were not publicly available; all but one had never seen any BA**. Some chiefs appear to have copies. No one was aware of any reviews or monitoring indicators. When asked what should be done for monitoring, one person suggested that an independent person should be tasked, perhaps someone from the University of Mines. Another person suggested that a small committee of 'honest' and independent experts from the community could do an annual evaluation. One person said that (monitoring of) implementation was a bigger issue than the benefits agreement. All agreed on the importance of reviewing the benefits agreements. They further agreed (as in Kenyasi) that employment was the most salient issue. One person summarized the situation this way when asked if they supported the current benefits agreement, "If you are to get nothing, and you get something, it is better to get something". Another said, "We are born into mining and that is all we want to do".

We also conducted a video interview at the GSR headquarters in Accra with a company official in Prestea. When asked about why GS initiated its CBAs, the company official gave the following reasons: to ensure better cooperation with the community, assure stability over time, and the need to review community-company relations. He claimed that all stakeholders were represented in the negotiations that produced the three CBAs, including 6 divisional chiefs. In response to complaints that we heard in Bogoso/Prestea that the company was not assisting farmers adequately (e.g., by subsidizing farming inputs, or paying haulage costs from farm to processing centre) the company representative noted that GSR runs the oil palm plantation as a for-profit company that will make money, not as a charity. Although the company had initially subsidized some input costs, they changed the system based on "lessons learned". He also suggested that the DA staff in Bogoso were right in noting that the national government and GSR were not doing enough to fulfil obligations to the community, especially in the area of infrastructure development. **Each (government and company) appeared to expect the other to take the lead. The GSR staff person said the company focused on outcomes/impacts in its review of its BAs but noted that an independent assessment would "add value" to the assessment.**

7.3 Survey Results for Prestea/Bogoso Community

We had 35 survey responses in the Prestea/Bogoso community. Of those employed, 6% worked in a mining-related occupation, 17% described their occupation as 'farmer', and 23% were involved in business/commercial activity. In terms of gender, 69% were male, the average age of respondents was 33 years, and 34.3% of respondents had secondary education. This population was similar to that in Kenyasi; the main difference appears to be in the level of education (where 76% of respondents had secondary and 16% tertiary education in Kenyasi).

When asked about their level of knowledge about the mining industry (on a 4-point scale from 'none' to 'a little') 26% indicated they had 'some knowledge', 40% had 'a little knowledge', and 26% had 'no knowledge'. In response to questions about their knowledge of CBAs and of the specific benefits promised by the mining company (scaled from 'no knowledge' to 'expert knowledge') 47% had 'no knowledge', 41% had 'minimal knowledge', and 11% had 'average knowledge', while 53% % indicated they had 'no knowledge' and 38% 'minimal' awareness of specific benefits promised to the community. When asked about overall benefits of mining to their communities to date (scaled from 'none' to 'a great deal') 46% indicated 'none', 40% 'a little', and 14% 'some'; and about the outcomes of CBAs (scaled from 'harmful' to 'brings important benefits to the community') 21% indicated 'harmful' and 78% indicated that CBAs made 'no difference' in their communities. In response to questions regarding the level of stakeholder acceptance of mining, on a 4-point scale of 'none' to 'consensus', 46% indicated 'none' and 51% 'a little'.

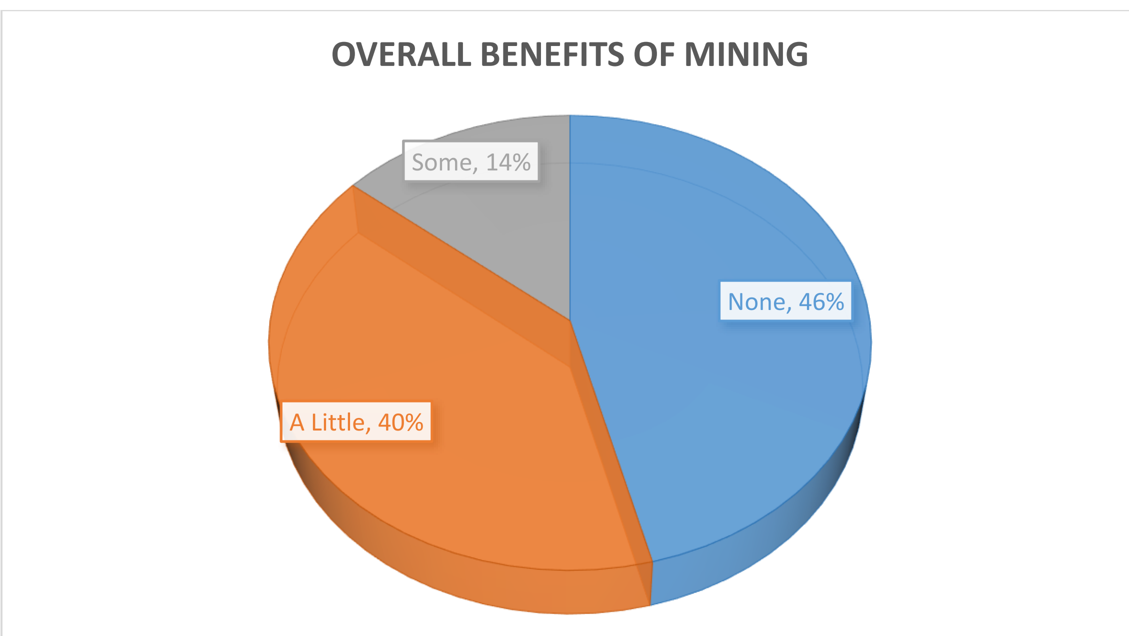
When asked to rate the mining company's accountability, 67% indicated 'none' and 26% 'a little'. The question asking their views on the relationships among key stakeholders (community, mining company, national government, local government, and traditional authorities/chiefs) elicited the following responses. On a 4-point scale ranging from 'extremely poor' to 'excellent', 61% rated the community-company relationship as 'extremely poor' and 27.2% as 'poor'; 15% rated the company-government relationship as 'excellent' and 44% as 'good'; 18% rated the community-national government relationship as 'good' and 44% as 'neutral'; while 33% rated the local government-national government relationship as 'good' and 52% as 'neutral'. The community-traditional authority relationship received ratings of 'good' by 32%, 18% 'neutral', 35% as 'poor', and 12% as 'extremely poor; while 27% saw the community-DA relationship as 'good' and 30% as 'poor'.

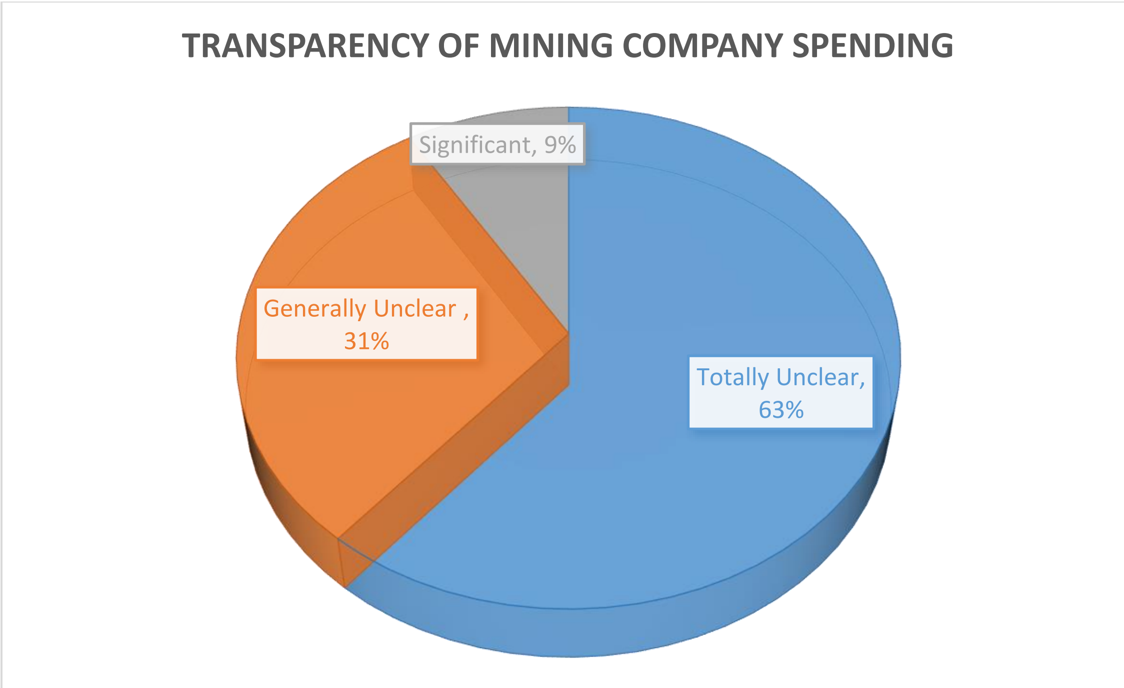
Respondents' also responded to questions on how they would prioritize a suggested list of possible benefits accruing from mining. On a 4-point scale (from 'unimportant' to 'absolutely vital') 30% indicated that 'increased revenues to the national government' was 'important'; 31% indicated 'direct cash payments to community members' to be 'absolutely vital'; 29% indicated that 'infrastructure', and 49% 'education' as 'absolutely vital'. A majority viewed 'Healthcare' and 'employment and training' (54% and 77% respectively) as 'absolutely vital'; however only 11% viewed 'environmental protection' as 'absolutely vital'. Only 6% considered targeting investments to marginalized communities as 'absolutely vital', with 3% giving the same level of priority to 'improved government capacity to deliver services', and 0% to 'local procurement'.

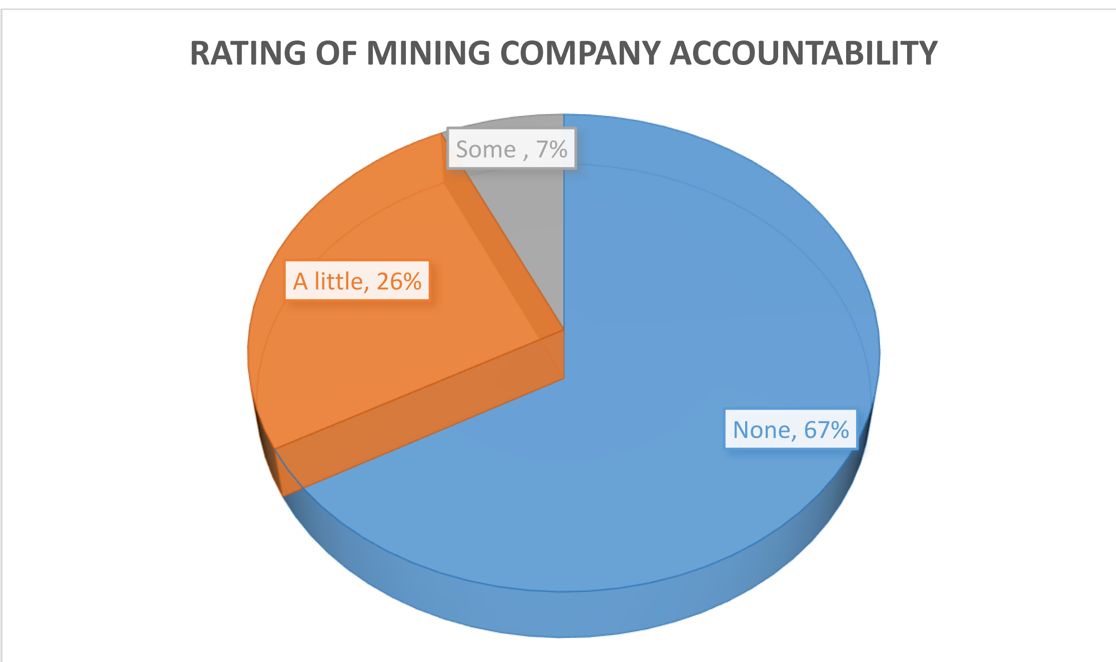
When asked about responsibility for public services delivery, on a 10-point scale (10 being the most important) 79% gave the company 9/10 points, 88% assigned 9 points to national government, 22% assigned 9 points to traditional authorities, with 79% assigning the same score to DAs and 0% to NGOs. On the question of accountability, on a 4-point scale ('none' to 'a great deal') 55% answered 'none' to the company's accountability for delivering community benefits; 52% indicated 'none' regarding the national government's accountability for public services delivery; and 55% indicating 'none' to the DA's accountability for public services. On the question of where they obtained information regarding how the company spends community benefit funds, 26% of respondents indicated they had no information, 20% obtained information from the mining company, 3% from government, 6% from NGOs, 6% from the internet, and 9% obtained information by word of mouth.

The survey also elicited responses on the monitoring and evaluation of CBAs. When asked who should monitor these agreements 31.4% said the companies, 17% identified the national government, 6% said regional government, 49% the DAs, 29% traditional authorities, 31% identified 3rd experts, 49% community leaders, and 34% identified the 'community as a whole'. On the question of evaluation, 31% indicated that the company should evaluate agreements, 17% the national government, 43% identified 3rd party experts, 51% community leaders, and 31% the 'community as a whole'. Regarding when evaluation should occur, 14% indicated 'end of project', 6% the 'middle', 29% 'annually', and 36% said evaluation should be 'ongoing'. The question of what should be included in a monitoring and evaluation system elicited the following responses: 74% indicated 'amount spent', 72% 'the number of projects', 72% 'relevance of project to community needs', 89% 'promised goods and services were delivered', 11% 'measurable outcomes', 29% identified 'community feels positively about outcomes', and 3% 'clear socioeconomic improvement' in mining community conditions.

The following graphs demonstrate some select findings from our survey in this area:




TRANSPARENCY OF MINING COMPANY SPENDING
Significant, 9%
Generally Unclear , 31%
Totally Unclear, 63%


RATING OF MINING COMPANY ACCOUNTABILITY
Some , 7%
A little, 26%
None, 67%

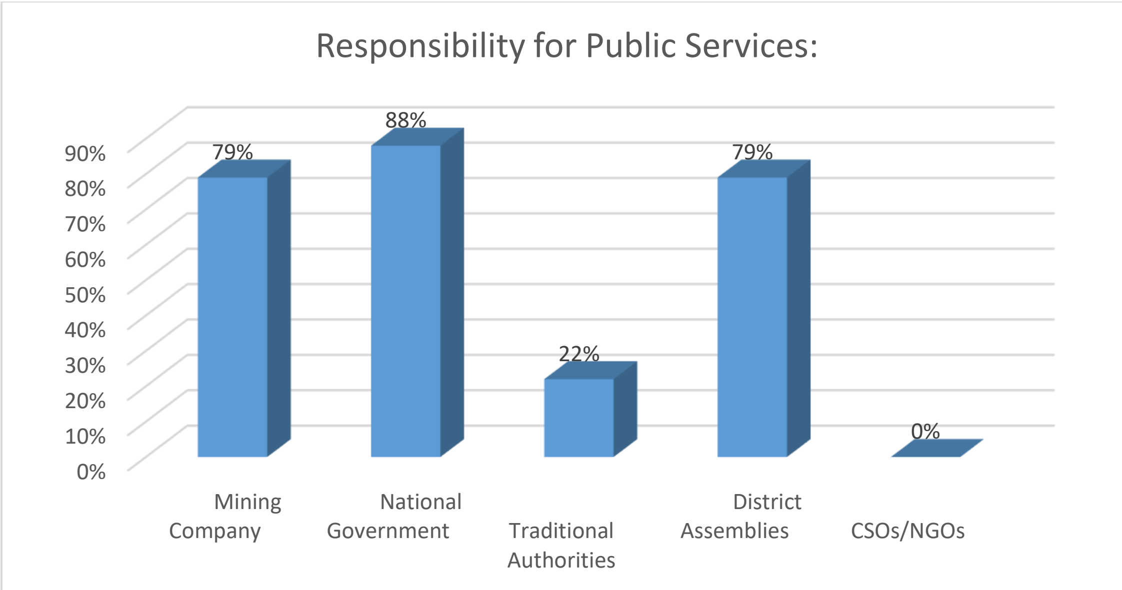


Table 5.1 below summarizes the results of the survey.

Table 7.1 **Summary of Survey Results –Prestea/Bogoso Community**

Demographics

Number of Respondents	35
Percentage Working in Mining	6%
Occupation	Farmers 17%; Small Business 23%
Gender	69% Male
Average Age	33 years
Highest Education Level	34.3% Secondary; 31.4% Primary; 17.1% None

Survey Responses

Question	**Responses (percentages)**
Knowledge of Mining Industry	Some 26%; A little 40%; None 26%
Knowledge of CBAs	None 47%; Minimal 41%; Average 11%
Awareness of Specific Benefits	None 53%; Minimal 38%
Transparency of Spending by Mining Company	Totally Unclear 63%; Generally Unclear 31%
Overall Benefits of Mining	None 46%; A little 40%; Some 14%
Rating of CBA Outcomes	Harmful 21%; No Diff 78%; Slightly Positive 29%
Level of Stakeholder Acceptance of Mining	None 46%; A little 51%
Evaluation of Regulatory Framework	Not Effective 89%
Rating of Mining Company Accountability	None 67%; A little 26%

Relationships Among Stakeholders:	
Community & Company	Extremely Poor 61%; Poor 27.2%
Mining Company & Government	Excellent 15%; Good 44%; Neutral 38%
Community & National Government	Good 18%; Neutral 44%; Poor 35%
Local & National Government	Good 33%; Neutral 52%
Community & Chiefs	Good 32%; Neutral 18%; Poor 35%; Extremely Poor 12%
Community & DA	Good 27%; Neutral 42%; Poor 30%
Priorities for Benefit Agreements:	
Increased Revenues	Important 30%; Slightly Impt 36%; Unimpt 21%
Direct Cash to Community	Vital 31%
Infrastructure Development	Vital 29%
Education	Vital 49%
Healthcare	Vital 54%
Employment & Training	Vital 77%
Environmental Protection	Vital 11%
Marginalized Individuals & Groups	Vital 6%
Increase Local Gov't Capacity	Vital 3%
Local Procurement	Vital 0%
Responsibility for Public Services:	
Mining Company	79%
National Government	88%
Traditional Authorities	22%
District Assemblies	79%
CSOs/NGOs	0%
Level of Accountability for Community Benefits:	
Mining Company	Some 18%; A little 27%; None 55%
National Government	A little 42%; None 52%
District Assembles	A little 39%; None 55%
Who Should Monitor CBAs?	
Mining Company	31.4%
National Government	17%
Regional Government	6%
District Assemblies	49%
Traditional Authorities	29%
3rd Party Experts	31%
Community Leaders/Reps	49%
Community as a Whole	34%
Who Should Evaluate Benefits?	
Mining Company	31%
National Government	17%
3rd Party Experts	43%

Community Leaders/Reps	51%
Community as a Whole	31%
When Should Evaluation Take Place?	
End of Project	14%
Middle and End	6%
Annually	29%
Ongoing	36%
Quarterly	0%
What Should be Evaluated?	
Amount Spent	74%
Number of Projects	72%
Relevance of Projects to Needs	72%
Delivery of Promised Goods/Services	89%
Delivery with Measurable Outcomes	11%
Community feels Positively	29%
Clear Socioeconomic Improvement	3%

7.4 Outside Studies and Reports on Golden Star Resources

Yamoah Tenkorange and Owusu-Koranteng conducted a survey in 2005 of the communities in the Bogoso/Prestea mining area. **Approximately 89% felt that mining had negatively affected water; 78% felt that the soil fertility had been negatively affected; 87% felt that the air had been negatively affected; 61% felt that they could not freely express themselves; and 61% felt that they had no right to request environmental information. In terms of overall standard of living, 85% felt that it was worse after mining operations.**

Dashwood and Puplampu (2010, 41-2) report a hunger for more employment in the region, despite the fact that GSR directly employs 20,000 and indirectly 40,000 in the region. They report that GSR gives preference to local hiring, but the lack of skills impedes this. GSR also works with traditional leaders to fill unskilled positions, including at times giving contracts directly to chiefs. In terms of land compensation, GSR works with the Land Valuation Board to set rates, a situation complicated by the fact that the chiefs own the land in trust for the people. Puplampu and Dashwood (2011) conducted interviews with company officials and members of the CMCCs at GSR’s Bogoso and Wassa mines in 2009. They found that that company’s strategy shifted in 2005 in reaction to a series of media reports about human rights and environmental abuses, met with an arrogant response from GSR throughout the early 2000s, and related to a cyanide spillage in 2004. In 2006, GSR created a new position, Vice President of Sustainability and created a Sustainability Committee of the Board, and both a Community Affairs/Sustainability and an Environmental Affairs Dept at each mine. Puplampu and Dashwood (2011) found that there were generally positive attitudes towards GSR among CMCC members, and that there was an openness to criticism. However, there lingering concerns remain about how jobs are filled, and whether locals (particularly) youths have a fair chance at them. The authors also state that the auditing system for GSR benefits is unclear.

Adonteng-Kissi and Adonteng-Kissi (2017) completed a study of GSR's community engagement program in Prestea. They state that mining has not changed the fact that "Prestea continues to be a poor community" (196). Besides disappointment with the overall results of mining operations, the authors cite **loss of land as a major source of conflict**. This comes from the loss of agricultural land and biodiversity and environmental effects of mining (197). Through a survey of the Prestea communities, the authors found 94% of conflicts related to land use issues, with the rest related to water pollution (200). The authors' survey found strongly positive perceptions of the community consultation process; however, there was only a slim majority with this perception among young people aged 19-26. This relates to a disappointment with the lack of jobs (201-2). In fact, two particular incidents are worthy of note. On April 27, 2016, the Chief and people of Wassa Nsadeiso staged a peaceful protest against Golden Star Wassa Mining Ltd, for claiming farming lands in the town. According to the chief, the company had also turned down their request for compensation (Ghanaweb, 2016b). Segbor (2014, 3) reports that GSR polluted the Abdowese River that provided year-round water to 10,000 of Prestea's population of 31,607. It also stopped the flow of six streams in Dumase. GSR has tried to resolve the issue by supporting new boreholes, but the water appears contaminated. Hilson and Yakovleva (2007) report that an area under concession to Golden Star near Prestea was deemed uneconomical, yet the company did not allow ASM to work the plot.

Chapter 8 Case Study 3: AngloGold Ashanti (Ghana) Ltd

8.1 Overview of AngloGold Ashanti Ghana Ltd

AngloGold Ashanti (AGA), formed when AngloGold Limited of South Africa purchased the Ashanti Goldfields Company of Ghana for $1.5 billion in 2004, operated two mine sites – the Iduapriem/Tarkwa mine in the Western Region of Ghana, and the Obuasi mine in the Ashanti Region. AGA suspended mining operations at Obuasi in 2014 and officially closed the mine in 2016. Our research focused on AGA operations at Iduapriem/Tarkwa. The Ghana EITI reports for 2013 the following payments to the government by AGA (author conversion): $5.1 million in total, of which $3.9 million came from the Iduapriem mine. AGA also paid $1.2 million in corporate income taxes. **The 2016 Chamber of Mines report states that AGA earned $268.3 million in revenues at its Iduapriem mine in 2016 and $3.3 million at its mostly closed Obuasi mine**. Through examining the supplementary information from AGA's 2017 financials, we find that the price received/oz. of gold from Iduapriem was $1,278, while production costs were $943/oz., for (revenues) pre-tax profit/oz. of $335/oz. **This led an operating profit of $37 million. AGA's 2017 Iduapriem Report states that there were 1,576 employees in 2016, 621 of which were permanent and 955 contractors. AGA does not make its CBAs public**. This made it difficult to obtain a clear picture of the various initiatives, funds, and programs. We were, however, able to obtain information on some of these BAs from other sources.

AGA created the Hand-in-Hand program with $268,000 in initial funding to carry out projects in training and capacity building, microfinance, and water and sanitation among eight communities with 700 individuals involved in the first category, and 317 in the second. It subcontracted out these activities to the Opportunities Industrialization Centre International (OICI) (SRC 2010, 56). In 2004, AGA agreed, as part of its Stability Agreement with the government, to contribute 1% of annual post-tax profits into specialized funds to promote community development initiatives at Obuasi and Iduapriem, in addition to various other social investments and projects. The company accumulated funds from 2004-12, before beginning to spend them, with Obuasi accumulating $2.7 million and Iduapriem $1.6 million. However, because of the pooling of profits, the closing of the Obuasi mine makes it difficult to apply the 1% post-tax profit formula. The company is thus shifting to a $1/oz formula in Iduapriem and $2/oz in Obuasi since the latter is larger.

AGA officially launched its Community Trust Fund (CTF) in Iduapriem in September 2012 to support the long-term sustainable development of the company's host communities (http://www.aga-reports.com/13/os/case-study/ghana-community-trust-funds [accessed July 22, 2018]). Contributions, allocated to the CTF in proportion to the number of ounces of gold produced annually, benefit 19 adjacent communities in the Iduapriem mine area, comprising approximately 16,296 beneficiaries (KTF 2015, 13). There is also a Social Investment Fund, which comes out of company budget, and funds larger projects, such as water quality. Each CTF (Iduapriem and Obuasi) has three permanent management bodies. A Board of Directors, made up of seven members in each location, makes investment and policy decisions. They are supposed to be accountable for Trust Fund performance and ensuring that mine communities in Obuasi and Iduapriem benefit from the Fund, in consultation with steering committees. Steering Committees, with membership designed to bridge local government, communities, and the trust funds, and liaise between them (32 members in Obuasi and 23 members in Iduapriem), assist the Board of Directors. Secretariats, the third management body in each location, comprise administrative teams of 3-5 company staff that support the boards and steering committees and facilitate interactions with the communities. The Iduapriem CTF is managed by a seven-member board including, the Paramount Chief of Wassa Fiase Traditional Area, MP for Tarkwa Nsuaem, Chief of Teberebie, Managing Director and the Senior Manager Sustainability of the Iduapriem Mine together with a 23-member Steering Committee. The Board holds annual general meetings to keep stakeholders updated on its activities (https://www.todaygh.com/anglogold-ashanti-iduapriem-trust-fund-improve-lives/ [accessed July 24, 2018]).

The AGA Iduapriem CTF has three focus areas: education, integrated health, and economic development. Three projects initially approved by the CTF board included a toilet facility for the Nkwantakrom community, a toilet facility for the Domeabra community and an early childhood development centre for the New Techiman community. The CTF board evaluates and approves investment proposals based on three criteria. First, the extent to which a project addresses a pressing and strategic community need. Second, the extent to which the scope and clarity of the project has beneficial impact. Third, the extent to which the community contributes to the project through in-kind, cash or other contributions. AGA stresses that the CTFs do not replace government's role in infrastructure development and social services provision, but rather aim at partnering and complementing government's efforts (http://www.aga-reports.com/13/os/case-study/ghana-community-trust-funds [accessed July 22, 2018])

8.2 Interviews in Iduapriem/Tarkwa Community

The research team underestimated the amount of time required for transport across the communities in the mine catchment area, given large stretches of unpaved roads and very slow traffic, thus limiting the number of interviews at the third site. The company did help us set up an interview with two AGA staff in the sustainability office, one chief, and an official at the DA. The AGA staff had impressive educational and work experience backgrounds and provided frank comments.

As noted, AGA does not make its CBAs public. When asked how the public could obtain them, the company staff told us that "lawyers in Accra" had copies there and that individuals and employees only received selected relevant clauses of the agreements upon request. However, our interviews with these AGA staff did reveal some positive practices as well. Regarding land, like GSR, resettled farmers obtained land, purchased by the company from chiefs. **The company also commissioned a baseline community indicators report by the Khana Group, which provides important socio-economic indicators, and signals priorities for investment**. **Although completed in 2015, the Report could potentially provide a way to see if community conditions have improved. The company staff informed us that because of problems with employment in the area, the company created a database of locals and their skill-sets with the help of the chiefs. A neutral labour broker, contacted by hiring departments at AGA, receives this information, and gives preference to locals. The company funds training by Africa Mining Services and the University of Mines (UMAT)**, and top students are supposed to be singled out for employment. However, there is no guarantee of employment. They noted that the company provides help to farmers in the form of inputs, such as fertilizers, but does not provide loans or equipment. The trust fund has invested heavily into health care, including malaria, and smaller projects such as vegetable farming and a bakery.

We also spoke to a DA staff person, who noted many positive benefits from the company. These include funds for employment, infrastructure, scholarships, and a focus on local communities. However, there are also costs, principally environmental, such as dust that contaminates agriculture, spoils roads, and causes health problems. He noted that the EPA was present and monitoring, but the population was unaware of their activities. The DA staff person claimed relations among the main stakeholders was 'cordial', and identified infrastructure, social services, and improved standard of living as key priorities in the district. He suggested that 'process' and 'outcomes' should be the focus of monitoring and evaluation and that the DA should have a role in M&E. The DA official rejected the notion of favouritism in awarding contracts stating, "…chiefs have a say in this." Experts, he noted, choose projects based on needs assessments. He also lauded outside advocacy groups such as the NGO West African Coalition against Mining (WACAM).

The chief we interviewed acknowledged important benefits, such as infrastructure and health, but also emphasized many costs. Besides the loss of land, he cited the very high youth unemployment rate, estimating the employment of just 25-30 people from the local area in the last few years. When asked about the employment database, he stated that the company would hire a local, sack them for some flimsy reason, hire an outsider, and then put the outsider down as a local. He disputed the skills gap. He noted problems with water contamination due to chemical spillage from the tailings ponds, and the absence of trust in the company or the EPA; and suggested the need for someone independent. The chief also noted that water deliveries promised by the company have been late. At the same time, he said, in contrast to the comments we received in the other mining communities, that there was no problem with communication with the company. He stated, **"The company provides what the government can't."** When asked why, he pointed to the local government's lack of resources. He saw the DA as being in line with the company, and suggested the national and regional governments were not present in the community. Lamenting the lack of resources for education and poor infrastructure, the chief noted that some children in the area have to walk 7-8 km. to get to school, and noted wisely that, “We can’t build a school if we don’t have teachers”. The chief then pointed out that he had organized school and health projects, which the local government should lead. Regarding employment, the chief suggested the labour broker, who came in because of complaints 3-4 months ago, also needed monitoring, but indicated that they trusted him for now.

The DA staff person said there should be consultations among the stakeholders to develop a medium-term plan for projects. He stated, “They (the public) are the beneficiaries and it’s always good to allay their fears. It’s good to bring them on board.” Both the process and outcomes are crucial. The DA staff person said that, to his knowledge, **only Goldfields has a post-mining transition plan**. He also stated that Goldfields has been more pro-active in promoting the local retention of taxes. In terms of monitoring, the chief stated that no regular reporting of employment occurred, nor had he seen the BAs. In his words, “there is no transparency – no agreement, no paper to refer to, no reporting of the amount in the fund or of spending.” In terms of the community consultation committee, community representatives do not provide any information, or report to the community. The chief indicated that he would prefer to see documents to which he can refer. He would also like to see a community member working with an independent consultant on monitoring the CBAs.

8.3 Survey Results for Iduapriem/Tarkwa

We had 65 survey responses in the Iduapriem/Tarkwa community. Of the respondents, 8% worked in a mining-related occupation, 17% described their occupation as ‘skilled’, and 29% were involved in small businesses/commercial activity. In terms of gender, 46% were male, the average age of respondents was 35 years, and 34% of them had secondary education and 48% primary education. In terms of age and education, this population was similar to that in Bogoso/Prestea (where 34.3% of respondents had secondary and 31.4% primary education), but had a greater proportion of women.

The responses to the question about their level of knowledge about the mining industry ranged (on a 4-point scale from ‘none’ to ‘significant’) from 14% who indicated they had ‘significant knowledge’, 54% with ‘some knowledge’, and 24% with ‘a little knowledge’. In response to questions about their knowledge of CBAs and of the specific benefits promised by the mining company (scaled from ‘no knowledge’ to ‘expert knowledge’) 25% had ‘no knowledge’, 58% had ‘minimal knowledge’, and 16% had ‘average knowledge’; while 66% indicated they had ‘no knowledge’ and 28% ‘minimal’ awareness of specific benefits promised to the community. When asked about overall benefits of mining to their communities to date (scaled from ‘none’ to ‘a great deal’) 30% indicated ‘none’, 35% ‘a little’, and 33% ‘some’; and about the outcomes of CBAs (scaled from ‘harmful’ to ‘brings important benefits to the community’) 31% indicated ‘no difference’ in their communities and 48% indicated that CBAs were ‘slightly positive’. In response to questions regarding the level of stakeholder acceptance of mining, on a 4-point scale of ‘none’ to ‘consensus’, 41% indicated ‘none’ and 43% ‘a little’.

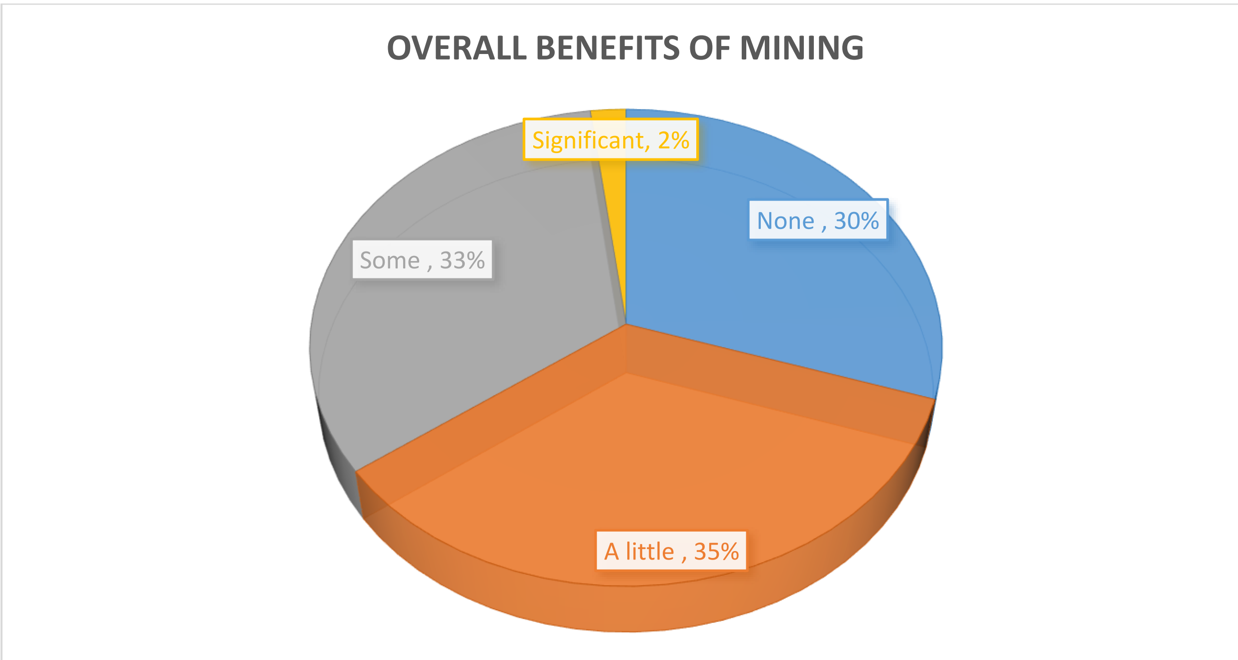
When asked to rate the mining company's accountability, 45% indicated 'none' and 42% 'a little'. The question asking their views on the relationships among key stakeholders (community, mining company, national government, local government, and traditional authorities/chiefs) elicited the following responses. On a 4-point scale ranging from 'extremely poor' to 'excellent', 28% rated the community-mining company as 'extremely poor' and 19% as 'good'. A majority, 75%, rated the company-government relationship as 'neutral', 11% as 'good', and 14% as 'poor'; 18% rated the community-national government relationship as 'good' and 44% as 'neutral'; while 91% rated the local government-national government relationship as 'good'. The community-traditional authority relationship received ratings of 'good' by 20%, 11% 'neutral', 58% 'poor', and 11% as 'extremely poor; while 73% saw the community-DA relationship as 'neutral' and 19% as 'poor'.

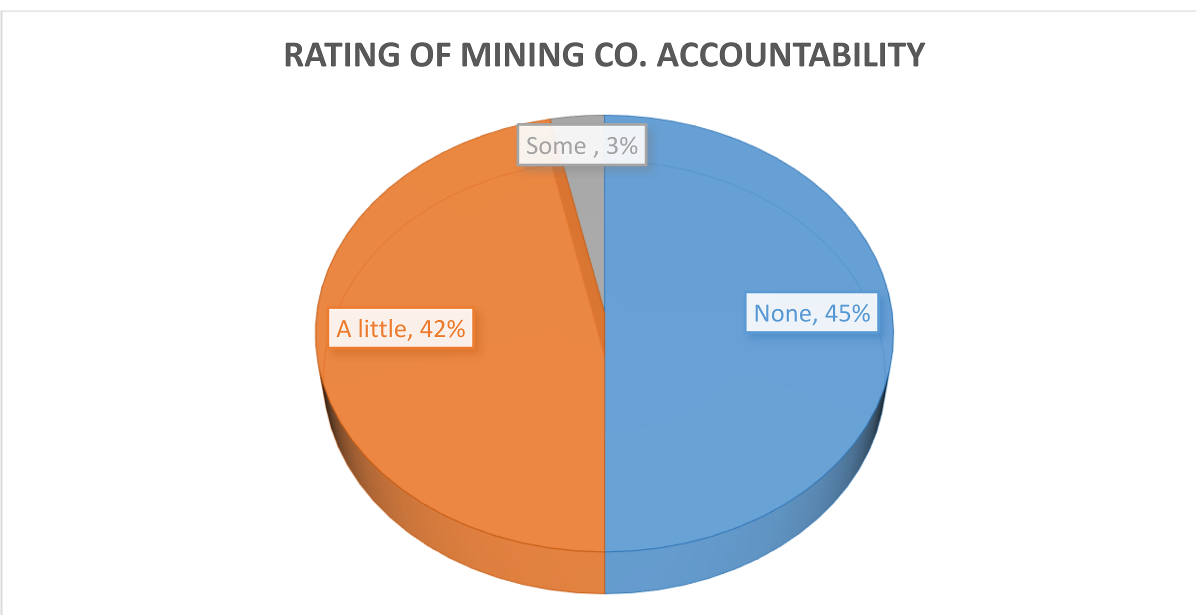
Respondents' also responded to questions on how they would prioritize a suggested list of benefits accruing from mining. On a 4-point scale (from 'unimportant' to 'absolutely vital') 78% indicated 'important' to 'increased revenues to the national government'; 17% indicated as ' absolutely vital' 'direct cash payments to community members'; 36% indicated the same level of priority to 'infrastructure', and 39% saw 'education' as 'absolutely vital'. 'Healthcare' and 'employment/training' received 'absolutely vital' ratings by 47% and 84% respectively. Only 5% viewed 'environmental protection' as 'absolutely vital'; 6% considered targeting investments to marginalized communities as 'absolutely vital', with 8% giving the same level of priority to 'improved government capacity to deliver services', and 0% to 'local procurement'.

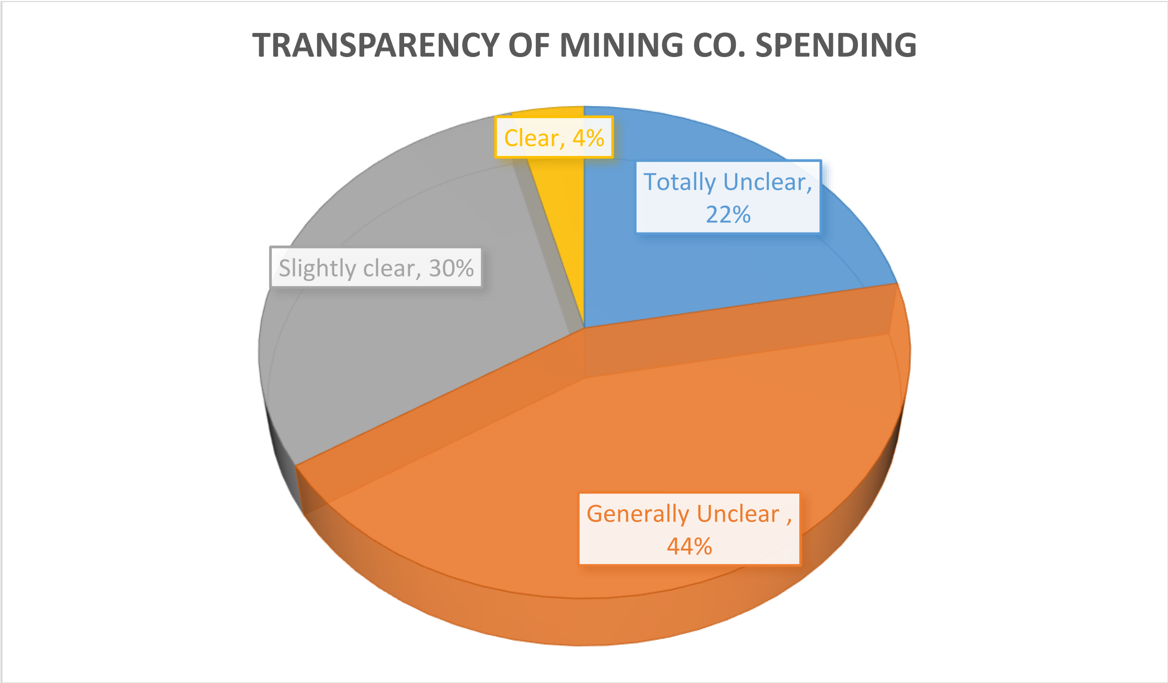
When asked about responsibility for public services delivery, on a 10-point scale (10 being the most important) 87% gave the company 9/10 points, 95.7% assigned 9 points to national government, 23.8% assigned 9 points to traditional authorities, with 73.7% assigning the same score to DAs and 0% to NGOs. On the question of accountability for BAs, on a 4-point scale 45% answered 'some' and 44% 'a little' to the company's accountability for delivering community benefits; 42% indicated 'none' and 44% 'a little' regarding the national government's accountability for public services; with 47% indicating 'none' and 52% 'a little' to the DA's accountability for public services. On the question of where they obtained information regarding how the company spends community benefit funds 18.5% of respondents indicated they had no information, 65% obtained information from the mining company, 1.5% from government, and 29% obtained information by word of mouth.

The survey also elicited responses on the monitoring and evaluation of CBAs. When asked who should monitor these agreements 17% said the companies, 12% identified the national government, 3% said regional government, 32% the DAs, 48% traditional authorities, 29% identified 3rd experts, 54% community leaders, and 32% identified the 'community as a whole'. On the question of evaluation, 25% indicated that the company should evaluate agreements, 8% the national government, 20% identified 3rd party experts, 52% community leaders, and 37% the 'community as a whole'. Regarding when evaluation should occur, 14% indicated 'end of project', 6% the 'middle', 88% 'annually', and 71% said evaluation should be 'ongoing'. The question of what should be included in a monitoring and evaluation system elicited the following responses: 80% indicated ‘amount spent’, 43% ‘the number of projects’, 49% ‘relevance of project to community needs’, 12% ‘promised goods and services were delivered’, 5% ‘measurable outcomes’, 60% identified ‘community feels positively about outcomes’, and 6% ‘clear socioeconomic improvement’ in mining community conditions. Table 6.1 below summarizes the results of the survey.

The following graphs illustrate some of the key findings from our survey of the Tarkwa community regarding AGA’s operations:






TRANSPARENCY OF MINING CO. SPENDING
Clear, 4%
Totally Unclear, 22%
Slightly clear, 30%
Generally Unclear , 44%

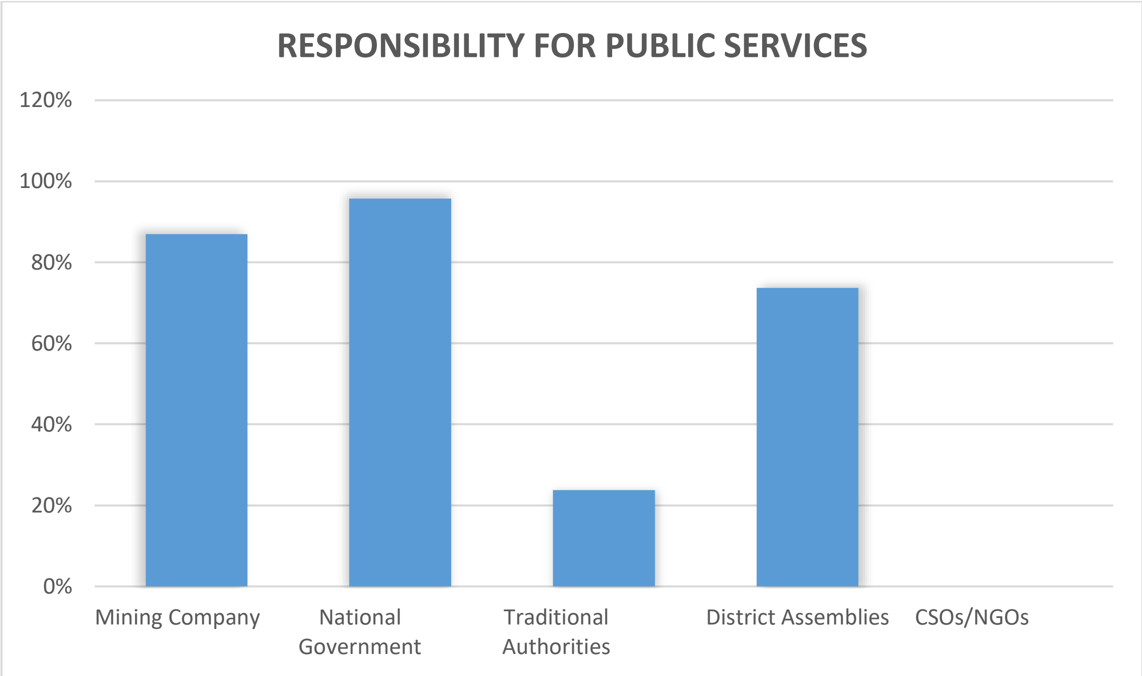

RESPONSIBILITY FOR PUBLIC SERVICES
120%
100%
80%
60%
40%
20%
0%
Mining Company
National Government
Traditional Authorities
District Assemblies
CSOs/NGOs

Table 8.1 Summary of Survey Results – Tarkwa Community

Demographics

Number of Respondents	65
Percentage Working in Mining	8%
Occupation	Skilled 17%; Small Business 29%; Unemployed 26%
Gender	46% Male
Average Age	35 years
Highest Education Level	34% Secondary; 48% Primary

Survey Responses

Question	**Responses**
Knowledge of Mining Industry	Significant 14%; Some 54%; A little 24%
Knowledge of CBAs	None 25%; Minimal 58%; Average 16%
Awareness of Specific Benefits	None 66%; Minimal 28%
Transparency of Spending by Mining Company	Totally Unclear 22%; Generally Unclear 44%
Overall Benefits of Mining	None 30%; A little 35%; Some 33%
Rating of CBA Outcomes	No Difference 31%; Slightly Positive 48%
Level of Stakeholder Acceptance of Mining	None 41%; A little 43%
Evaluation of Regulatory Framework	Not Effective 69%; Slightly Effective 31%
Rating of Mining Company Accountability	None 45%; A little 42%
Relationships Among Stakeholders:	
Community & Mining Company	Extremely Poor 28%; Poor 52%; Good 19%
Mining Company & Government	Good 11%; Neutral 75%; Poor 14%
Community & National Government	Good 18%; Neutral 44%; Poor 35%
Local & National Government	Neutral 91%
Community & Chiefs	Good 20%; Neutral 11%; Poor 58%; Extremely Poor 11%
Community & DA	Neutral 73%; Poor 19%
Priorities for Benefit Agreements:	
Increased Revenues	Important 78%
Direct Cash to Community	Vital 17%
Infrastructure Development	Vital 36%
Education	Vital 39%
Healthcare	Vital 47%
Employment & Training	Vital 84%
Environmental Protection	Vital 5%
Marginalized Individuals & Groups	Vital 6%
Increase Local Government Capacity	Vital 8%
Local Procurement	Vital 0%
Responsibility for Public Services:	
Mining Company	87%

National Government	95.7%
Traditional Authorities	23.8%
District Assemblies	73.7%
CSOs/NGOs	0%
Level of Accountability for Community Benefits:	
Mining Company	Some 45%; A little 44%
National Government	A little 44%; None 42%
District Assembles	A little 52%; None 47%
Who Should Monitor CBAs?	
Mining Company	17%
National Government	12%
Regional Government	3%
District Assemblies	32%
Traditional Authorities	48%
3rd Party Experts	29%
Community Leaders/Reps	54%
Community as a Whole	32%
Who Should Evaluate Benefits?	
Mining Company	25%
National Government	8%
3rd Party Experts	20%
Community Leaders/Reps	52%
Community as a Whole	37%
When Should Evaluation Take Place?	
End of Project	14%
Middle and End	6%
Annually	88%
Ongoing	71%
Quarterly	0%
What Should be Evaluated?	
Amount Spent	80%
Number of Projects	43%
Relevance of Projects to Needs	49%
Delivery of Promised Goods/Services	12%
Delivery with Measurable Outcomes	5%
Community feels Positively	60%
Clear Socioeconomic Improvement	6%

8.4 Outside Studies and Reports on AngloGold Ashanti

Wan (2014) notes that the Ashanti gold belt (which includes Obuasi and Tarkwa) in the area had been mined going back to the 19th century (see map 2). Yet, **locals felt that development in the region had not improved adequately.** There were concerns as well about water contamination, principally from cyanide leakage; this resulted in reports of fish dying in local rivers in the 1990s. There were also sharp divisions in the community over whether the resettlement package was adequate, particularly around the lack of replacement farmland. Furthermore, the EPA lacked the capacity to monitor or enforce regulations and access to formal legal channels near impossible for marginalized populations.

AGA states that it made the decision to shut down the Obuasi mine in 2014 related to underperformance issues and the declining price of gold. AGA placed the mine on maintenance and it planned to lay off 5,300/6,000 employees, with 100 of the remaining retained at the Obuasi Hospital. Severance packages were given to 3,100 employees. The company in general was moving from permanent hiring to annual performance-based contracts (Rockson 2016, 103-5). The National Commission on Mining claimed that the Obuasi Mine had not paid any corporate taxes between 2004 and 2009 (Rockson 2016, 113). In fact, there is a long history of labour strife in the area, including ASM activities, as well as environmental destruction, going back to when the mines in the area were run by Ashanti Goldfields Company, partially owned by the government. The same problems we note here regarding community impoverishment and conflict were noted in reports released in 2001 and 2007 (Akabzaa 2001; Akabzaa et al. 2007). New reports suggest increased tension including violence between mine staff and the local population.[13] AGA officially shut down the Obuasi mine in 2016 as way of signaling to the government that it was unhappy about the encroachment of illegal ASM mining. It said it was dissatisfied with the lack of government enforcement. AGA's 2017 Annual Report suggests that the mine could reopen based on an apparent agreement with the Ghanaian Government. However, these are still subject to ratification by Parliament.

In 2011, AGA received the "Public Eye Award" a dishonor given by Berne Declaration, a Swiss NGO and Greenpeace for water contamination and allegedly torturing local residents in the company's guard house, with some fatalities (https://www.publiceye.ch/en/media/press-release/neste_oil_and_anglogold_in_the_public_eye_pillory_in_davos/, [Accessed: Mar. 28, 2018]). The company was nominated for the award by WACAM for its activities in the Obuasi mine. Coyle (2015, 299-300), based on ethnographic fieldwork, states that such allegations were backed up by statements from local district assembly member. The company had a local MP rebut the charges, but WACAM and locals suggested this was staged. AngloGold's 2017 Sustainable Development Report states that it commissioned a scientific study of the water quality near its Obuasi site. The study found contamination, but claimed that the mine did not cause it (46).

[13] http://citifmonline.com/2016/02/06/obuasi-one-dead-in-attack-on-aga-staff-by-galamsey-operators/ [accessed Dec. 17, 2018]

Coyle goes further in suggesting that AGA acts as a "shadow sovereign" controlling resources and commanding authority in its territory (301-2). AGA engaged in community outreach campaigns emphasizing that the mine, the community, local politicians, traditional authorities and investors were part of the same team (304). The principal area of contestation was land. The company set up community committees in response with opinion leaders, including local chiefs and professionals, but, she states (306),

> "the constitution of these committees, though an internal community affair, has generated much social unrest and many accusations of shadow dealings, unjust disinheritances, and other wrong doings….members of these communities repeatedly told me that when the mine arrive to negotiate, they were not given to understand that the compensation the mine was offering was up for negotiation. Most told me that, by and large, the mine merely announced that it would commence operations, and that it had come to compensate the community members at the stated rates."

She goes on to note that because most of the peasant farmers could not read English they were asked to give their thumbprints on the land sale contracts without the contracts being read aloud. Fresh memories of the military regime that used to run the mine as a state enterprise ensured compliance (307). Mine officials responded that the government, through the Land Evaluation Board that had operated from 1994, set compensation rates (308-9). There was no room for contestation as access to courts was expensive and complicated, and traditional authorities are viewed with suspicion, as being bought off by mining companies (308-9).

Chapter 9 Monitoring & Evaluation Practices Compared

CBAs have emerged as the primary vehicle by which mining companies promise benefits to host communities in exchange for access to, and exploitation of, local mineral resources. CBAs in principle should stabilize expectations among stakeholders. They should also provide transparent measurement of benefits, and establish mechanisms for holding companies accountable (to the community and other stakeholders) for development projects promised. As part of the project cycle, monitoring and evaluation (M&E) systems, therefore, are supposed to be integrated into every development project.

9.1 Newmont

Of the three companies in our study, Newmont has by far the most extensive M&E system. Newmont features sustainability quite prominently on its website (https://www.newmont.com/sustainability/reports/default.aspx) and makes publicly accessible its CBA as well as a number of both internal and external (independent) reports. The reports include three main areas: health and safety, environmental impact and community relationships. It has separate reports for each site as well as company discussions of policies across sites. Some of the reports, such as that on the Ahafo Linkages Programme, appear to be written specifically for the International Finance Corporation (IFC) (probably related to loan conditions). For the three main areas, there appear to be regular compliance reports done independently, annually or biannually.

The other main issue in Newmont's reports is resettlement for which there are planning reports from 2009. The resettlement reports also directly reference the IFC, which appears to have been involved in guiding the project. Besides the impacts on the stakeholders, these reports also mention the preservation of cultural heritage as a priority item. The resettlement reports contain baseline measurements of stakeholders' conditions related to access to health, education, income by activity in the districts, and access to energy. They also contain a stakeholder engagement plan and guidance around compensation (NB: it is interesting that these appear as separate items). The resettlement plans contain clauses for external monitoring/evaluation by independent consultants. Indicators include public perceptions.

The independent socio-economic reports tend to focus on quantitative measurements of company impacts through its expenditures. European-based independent consultants, sometimes with local partners, mostly do the reports. The consultants appear to have strong track records. Many of the reports go to lengths to note Newmont's compliance with Ghanaian laws and regulations. The reports focus on quantitative measurements: for environment, quality of water, air, and land; and for social impact, socio-economic indicators. In terms of public input, beyond the consultation around the Foundation noted in chapter 4, established procedures for the filing of formal complaints to the company exist. The 2013 independent report on resettlements notes compliance with existing laws and IFC guidance, and examines data around crops production, land use, and socio-economic indicators, such as education and employment status. The indicators for the district show positive progress from the baseline measurements taken in 2009. The report notes three methods and M&E: internal, focused on process and output; external via consultants and impact monitoring; and participatory through engagement with the community (though not explicitly laid out, they presumably refer to the community consultations committees and grievance procedures). Essentially, all of these reports focus on what the company is doing for the community. For example, the 2013 resettlement audit has actual drawings of the houses provided to resettled farmers. It is interesting to note that there is no available audit of the linkages (employment programme). The Newmont Ahafo Foundation has its own webpage (https://nadef.org/). The webpage links to photos of Newmont's projects, but there are no available auditing reports.

7.2 Golden Star Resources and AngloGold Ashanti

The other two companies' reporting is almost non-existent by comparison with Newmont. They do not make public their benefits agreements. GSR provides a 2015 technical planning document around the Prestea and Wassa mine sites that contain estimates of environmental and social impacts, though their main focus is on technical (mining), financial and economic viability. GSR reports do not contain any baseline studies for comparison in future audits. The environmental sections focus on compliance with existing laws. The social sections give a brief description of the regions and the company's activities to improve it. The Prestea document describes a Mediation Committee led by a Professor for community engagement. GSR provides a flash video of community development and sustainable development booklet download, as well as short paragraphs of its positive impact on the local region.

AGA has a separate website around Obuasi (http://www.futureofobuasi.com/) but several of the links, such as that on its human rights policy, are not functioning. AGA does not have separate materials on Ghana, just global statements that mostly contain general statements of standards and compliance with them. Perhaps it is not surprising that there is no consideration let alone discussion of politics in any of these reports. Outside of AGA's call for a government crackdown on ASM, there is almost no focus on this issue in political or socio-economic terms. In short, the emphasis of the NGOs seems to be quite different from that of the companies about how to measure benefits. No independent monitoring and evaluation occurs. The company employs just three full time staff in their Sustainability Office. Officers are tasked with communicating with communities, and have facilitators who receive allowances set up in each one, that help them with needs assessment. They also rely upon rapid rural appraisal. This Office is in the process of setting up monitoring indicators and possibly hiring an independent person for reviews. The company uses the well-known logical framework designed by the UN for projects. AGA does not conduct any surveys the community, though they mentioned that Goldfields (not studied in this report) does.

We came across one of the most important and innovative approaches to monitoring and evaluation in Ghana when we got a hold of **the AGA-commissioned reported written by The**

Khana Group. The report provides a baseline study of socioeconomic indicators for the region around the Iduapriem mine, taking a sample of 139 of the 2,916 inhabitants of the mine area, using a stratified sample to include proportionate numbers of rural, "peri-urban", and urban residents among the 19 communities. The key point is that AGA, through the report, acknowledges a much larger commitment to community welfare as opposed to simply delivering projects. The report notes that the AGA CTF only started disbursing funds in 2013, thus, although the report comes two years later, it serves as a baseline by which to measure periodically outcomes in more substantive terms than simply the amount a company contributes. The report further notes that the CTF's focus areas align with the government and DA's medium term plans, "whilst leveraging relationships with other partners and stakeholders".

In our view, the Khana Group Report should be a public document as it is a good exemplar of what other mining companies could do. It is brutally honest about conditions in the community, something lacking in other companies' approaches, which appear to ignore conditions in favour of focusing on deliverable projects. Indeed, it notes "hostility and frustration" from some of the respondents as they did not believe AGA had previous shared information (24). Here are some highlights of the report (8-10):

- 70% have access to potable waters, however 13-16% report recurrent diarrhea. 58% report high malaria rates, and 52% report illness. While 75% are using the solid waste dumpsite, 68% are still disposing of liquid waste (from laundry, kitchens, bathroom, and urine) in open spaces. 94.5% have no access to a primary health care facility. The closest one is more than 30 minutes away, and is of mediocre quality. Only 24% of respondents were aware of AGA-specific health programs, while 58% recognized government programs.
- 1 in 5 have never been to school. Only 2.8% have university degrees. Average class size is 48. The reports suggest low quality of education.
- The community is "impoverished." Most households live on < $2/day, and most have 5 people. Only 26% of households have 2 income earners. 70% of youth below 18 are "not engaged in sustainable economic activity." 48% engage in galamsey. Less than 20% have knowledge of vocational training opportunities. There is < 5% chance of acquiring a business loan, and only a 15% chance of working with a community development organization or NGO. An astonishing 99% said that it was very difficult to find employment (86).

The report states in bold, given these conditions, **"there may be rising frustration among youth and community inhabitants that could unsettle the peace and security of the community (10)."** The report also gives action plans that seem sensible, for the short term at least, to address some of these issues (11). We could not ascertain, however, whether the company had acted upon this report.

Chapter 10 Interviews in Accra

At the tail end of our trip, we returned to Accra to conduct a series of interviews with public and private institutions and actors involved in mining and mining governance. We interviewed officials at three government agencies – the MinCom, EPA, and CHRAJ. While the MinCom and EPA agreed to face-to-face interviews, CHRAJ elected to provide written answers to our interview questions. We also interviewed staff at the Ghana Chamber of Mines, representatives of the Ghana Mineworkers' Union (who gave us an on-the-record interview), and representatives of three mining NGOs that were national in scope – the Centre for Public Interest in Law (CEPIL), the National Coalition on Mining (NCOM), and the West African Coalition against Mining (WACAM). We set up some of these interviews ourselves (especially among NGOs), and our consultant set others up.

10.1 Interviews with Government Agencies

Our interview at the MinCom began with officials outlining some of the benefits of mining in Ghana including its contribution to the country's export earnings and to government revenues, and the employment opportunities it generates. The MinCom officials did acknowledge some of the negative impacts including declines in food production in areas where mines take up about 30% of available land resulting in the loss of livelihoods for farmers; a problem compounded because some mining operations that were originally located underground shifted to surface mining. They also noted problems in resettlement and land compensation such as the fact that mining companies were giving inappropriate houses to resettled families, and inappropriate housing designs or not enough rooms for extended families. The officials claimed that MinCom was aware of CBAs. They noted that the MinCom has district level offices that engage in monitoring but their focus is on mining operations not CBAs.

In response to questions about stakeholder relations, the officials mentioned that MinCom regularly held public hearings in mining communities. The MinCom, however, consults with DA management committees but not directly with the community, and that the agency adopts a 'lead from behind' approach and can only make recommendations. One official readily admitted that the foundation forums established by some mining CBAs were not representative. Another noted the issue raised in the communities about the lack of multiplier effects when company employees bus in from larger towns, as was mentioned in Kenyase. The same official indirectly recognized the existence of poor public relations in the communities, suggesting that the company needed to have public hearings in the community "with the company mine manager" present to answer questions. This official hinted at the possibility of community backlash arising from the lack of visible, capital projects, noting that DAs used most of the royalty payments for recurrent expenditures. The MinCom officials noted that mining companies do not consult with DAs and local management committees and that a level of mistrust exists between mining companies and DAs, and went on to stress the importance of aligning company projects with the

DA's medium term plans. They also admitted that the central government does not follow up on the activities of DAs, and acknowledged the absence of systems of accountability for chiefs and stool lands. One official noted, "The chiefs are always creating issues, not resolving them".

The EPA official we interviewed mentioned that the agency had offices in every mining district in the country. Agency staff held public hearings, for which they did "reconnaissance" work in the communities two weeks before hearings so that they would know what issues to anticipate. The EPA also did site visits to monitor mine operations. The official lauded the agency's 'AKOBEN' colour coded scheme (see section 3.2) used to rate a mining company's performance over time. The official emphasized the benefits of the Environmental Impact Assessments (EIA) conducted by the EPA, which are required for the approval of mining operations, and the Environment Management Plans (EMP) submitted by mining companies 18 months after the start of mining operations, and reviewed by the EPA every three years.

While claiming the general effectiveness of the EPA's risk assessments, monitoring, and standards, the official did acknowledge negative environmental impacts of mining especially contamination of water bodies and land. The official also complained about a "race to the bottom" – i.e., pressure from mining companies on the EPA (and other government regulatory agencies) to lower/relax standards and regulations. He went on to explain that the mining companies claim that Ghana will lose investment due to stringent environmental standards and threatened to leave the country if standards were not lowered. The official stressed, however, that the EPA did not compromise on standards and cited the example of Newmont's underground mine, which took 4 years to approve.

The CHRAJ's written responses to our interview questions began by observing the mixed overall impact of mining in the country, but suggested that on balance the impact was more negative than positive. They also pointed that "while mining companies secure favourable terms for their operations in terms of tax breaks and stability agreements which freeze mostly fiscal obligations over long periods, the legal, regulatory, and administrative regimes for ensuring that the corresponding benefits from mining accrue to the country are weak". In response to questions about stakeholder relationships, CHRAJ observed a historically close relationship between governments and mining interests to the benefit of political elites in Ghana and the disadvantage of communities and the citizens of Ghana as a whole. They also perceived a level of distrust in the relationship between local government and traditional authorities.

On community development initiatives, CHRAJ acknowledged that communities directly affected by mining have legitimate expectations of mining companies and the government, even in the absence of formal CBAs. They lamented the absence of a legal regime in Ghana for regulating CBAs, suggested that the discretion exercised by mining investors undermines the ability of communities to negotiate as equal partners, and noted community complaints about the lack of consultation. The CHRAJ went on to express concern about the uncertain future of CBAs in the extractive sector in Ghana given the absence of a clear legal basis for them. They stressed that communities (possibly aided by independent mining experts) should set CBA priorities, and be involved in M&E, thereby echoing the sentiments we heard in our interviews in the three mining communities. Noting how traditional value systems and power imbalances fed into the decision-making mechanisms, they strongly recommended that pre-CBA project consultations and impact assessments consider these imbalances. The CHRAJ also noted the lack of transparency in CBAs, observing that "Little is usually known about CBAs either as part of the formal licensing regime or as an initiative of the investor. They are often protected by confidentiality clauses".

10.2 Interviews with Ghana Chamber of Mines and Mineworkers Union

Staff at the Chamber of Mines mentioned they were primarily engaged in research for and advocacy on behalf of their members. They noted three potentially conflicting interests around mining that needed to be reconciled in Ghana: the state, seeking to maximize revenues; mining companies, seeking to maximize profits; and mining communities, seeking to maximize development benefits. They went on to note the unevenness in the transparency of CBAs, but suggested that their focus was on local content initiatives and support to related industries that complement mining. The business association further lamented the lack of a plan to promote local procurement contracts, citing an isolated case where they had helped a grinding wheel business to get off the ground. The staff members suggested that ASM was the 'purest' form of mining in Ghana and envisioned their enlargement to mid-size operations. They noted, however, that there was no real evidence of the government instituting a proactive policy to help local ASM operators scale up. They also argued that the presence of foreigners (especially Chinese) in ASM showed an abuse of joint venture clauses, as well as the inability of local entrepreneurs to access capital or machinery, and lamented that the government appeared to lack any long-term policies, plans or perspective on what they want mining to accomplish.

The mineworker's union representatives echoed the sentiment expressed by the business association on the absence of a clear long-term policy or plan on mining in Ghana. They pointed to gaps in public policy and legal/regulatory framework governing mining in Ghana, including challenges in operationalizing the 2016 MDF and the paucity of resources available to regulatory agencies such as the EPA. The union representatives expressed a general desire to see the mining industry indigenized, and made an interesting historical note in pointing to a "major lost opportunity" when the union decided in 1993 not to take over a mine in Prestea when it was privatized.

On mining CBAs, the mineworker's union representatives suggested that a credible independent consultant should do the evaluation, paid for by the MinCom rather than the mining company. They also recommended greater community involvement in evaluation of CBAs. The union representatives affirmed that the complaints from the community regarding youth unemployment were legitimate. They suggested that although there was an abundance of managerial talent in Ghana, the training of advanced technical skills was inadequate, including a severe shortage of apprenticeships and on-the-job training. When asked why, they said that the companies did not see it as in their interests or responsibility to run such programs. The mineworker's union representatives also echoed the views from the community that the shift in employment at the mines to contract positions threatened job and income security. They argued that the growing use of contract employment directly threatened unionization, and reduced the possibilities for long-term benefits, such as a pension, and mentioned that the union had established a Women's Committee to examine the issue of women in mining, which was of 'genuine concern'. The union also agreed with our recounting of community allegations of threatened reprisals for those who spoke against the company including excluding them from future employment or contract opportunities.

10.3 Interviews with NGOs/CSOs

One of the NGO representatives noted some of the legal issues that arose when farmers in Kenyasi received compensation for crop loses but not for property loses. Another mentioned that the government had ignored the long-term environmental costs of mining. Noting the level of distrust between the community and the EPA, they suggested that the EPA lacked adequate resources, and did not adequately monitor or enforce existing regulations. In response to our question about why the relationship between communities and the companies appeared so problematic when the issues seemed so apparent, one NGO representative suggested that the government was largely content to collect royalties and the companies to follow "legal" guidelines and not much more. The representative further suggested that it was cheaper for local power brokers, from the chiefs to the DAs, or even young malcontents in the community to buy off and/or suppress discontent than address the core issues.

One NGO representative suggested that both the legal code and enforcement in Ghana needed reform. He noted, for example, the absence of a legal requirement for benefit agreements in Ghana, and no clear guidelines about the content of CBAs, transparency, monitoring, or enforcement. When asked about the growing importance of the principle requiring the Free and Prior Informed Consent (FPIC) of the community before greenlighting projects, the answer was that this was not yet an accepted principle in Ghana. In general, the three national NGOs were closer to community opinion about benefits agreements, with all agreeing that they had "minimal impact", and effectively provided cover for companies, which retain effective control through their foundation committees. One NGO pointed to the widespread practice of private security and the use of the military and police to protect company interests, as examples of the close ties between government and companies, which reinforced what we heard in the communities regarding the use of the military and police to protect companies rather than communities. Some of the NGO representatives were far more pessimistic and cynical about the existing CBAs and M&E systems, claiming that they simply absolved the companies of responsibility for not delivering on development promises. One saw the issue essentially as one of influence peddling and power relations, alleging that the companies co-opt government officials and local authorities, by, for example, “providing fuel” to visiting government officials; allegations that echoed what we heard from community members during our field research.

PART 4 FINDINGS & RECOMMENDATIONS

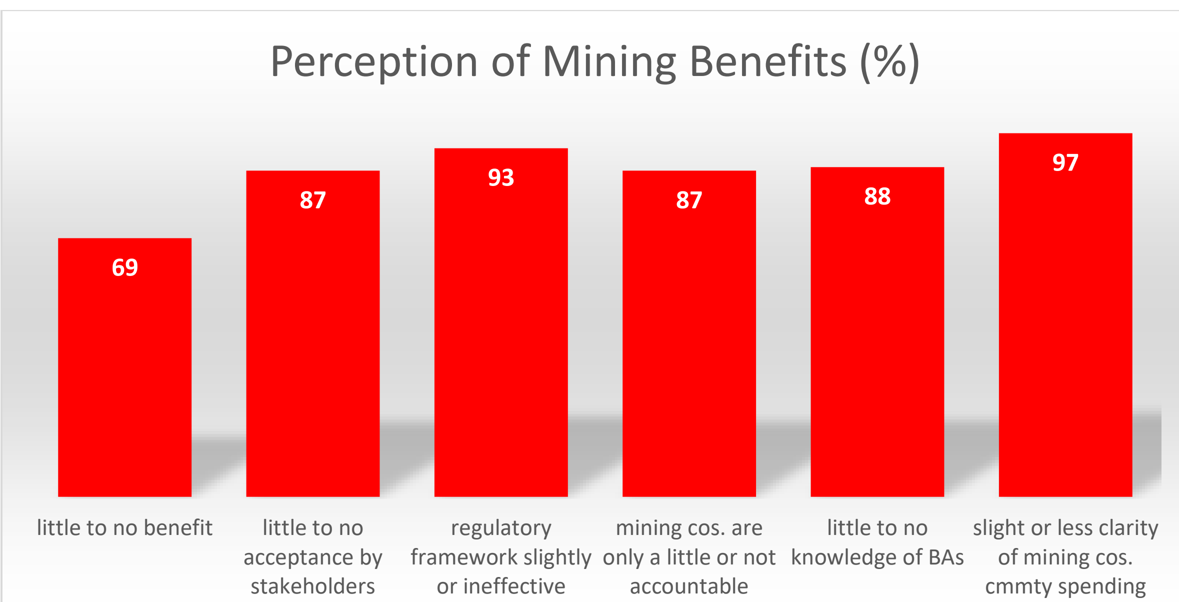
The final chapters in Part 4 summarizes our research findings, and concludes our study with recommendations specific to improving the M&E of CBAs, and broader recommendations on improving mining governance in Ghana.

Chapter 11 Findings and Recommendations

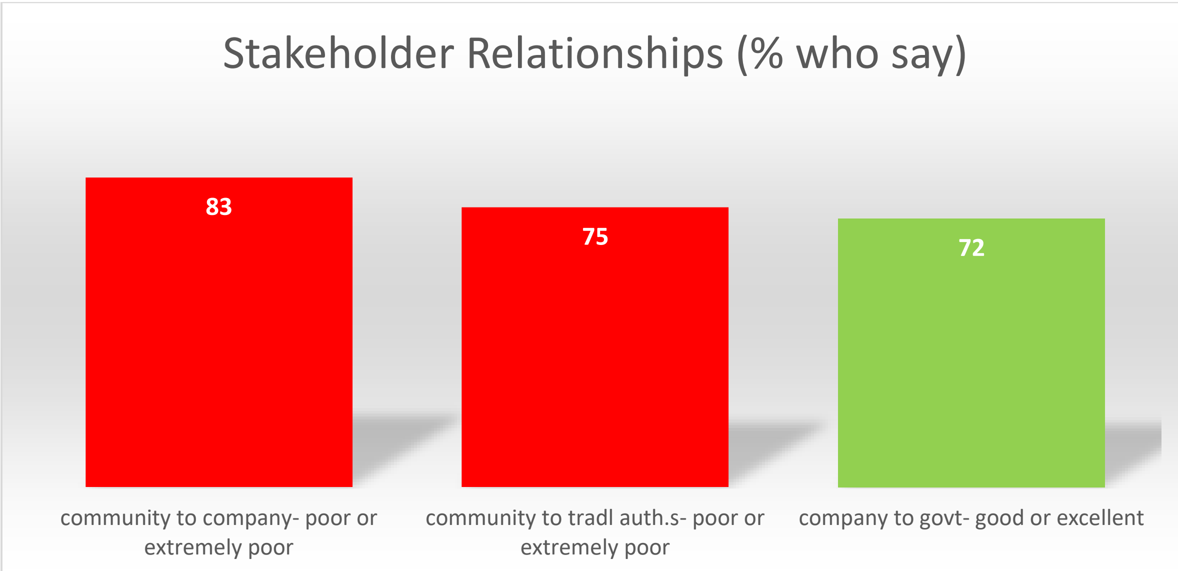
11.1 Summary of Research Findings

Our field research in the three communities (Kenyasi, Prestea/Bogoso and Tarkwa) revealed a clear perceptions problem, and a wide range of expectations, regarding the benefits of mining. While responses to priorities for CBAs varied, generating employment and education/training received the greatest priority across all three cases. Our interview and survey data across the three cases also revealed strong perceptions that mining had brought little to no benefit to the communities. Also consistent across the three cases were strong perceptions of poor relations between communities and mining companies. Each of the communities expressed a strong preference for third-party M&E of CBAs and greater community participation in M&E, indicating a lack of trust in mining companies, which in turn reflects perceptions of the lack of transparency and accountability in the implementation of BAs by mining companies. The following graphs highlight some of the key overall findings of our survey:

The first graph summarizes the overall negative perception of mining in the three communities.



The next chart illustrates the disconnect regarding representation and accountability between the community and company, the community and the government, and the perception that the government has a cozy relationship with the company.



The last chart illustrates one of the central findings of this study, namely that there is a "governance paradox" in the sense that communities begin to look at mining companies as primary sources of public goods and services, which could undermine the accountable systems necessary for decision-making through normal democratic practices and erode community support for government generally.

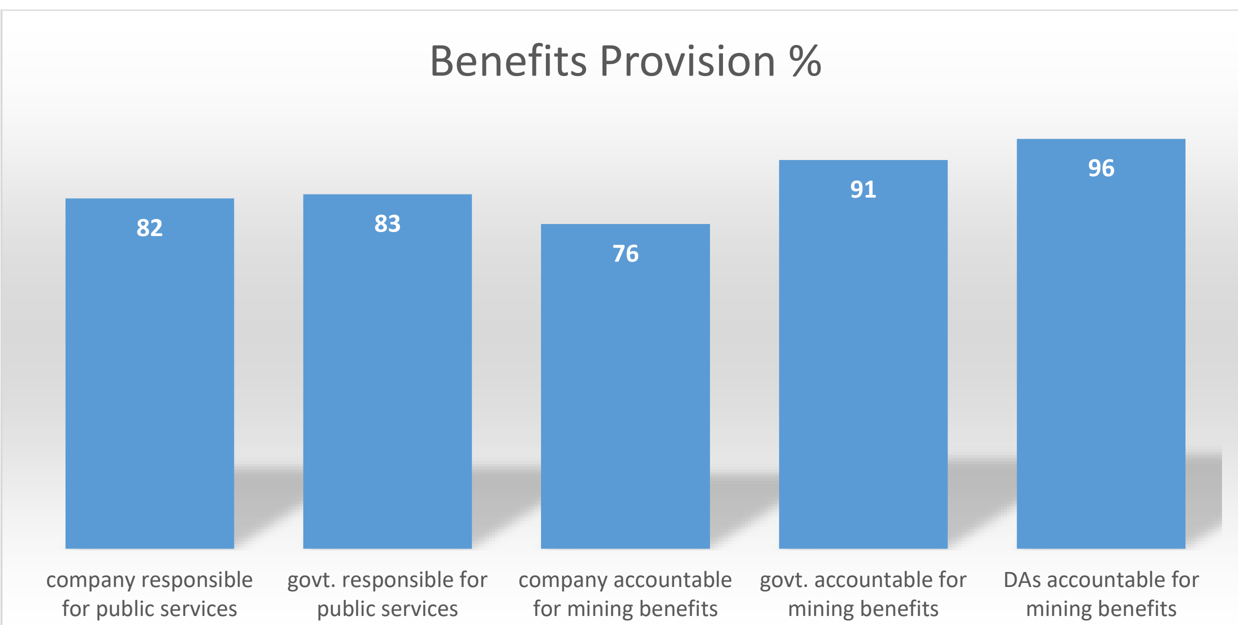


Table 11.1 below summarizes the combined survey responses for the three communities.

Table 11.1 Summary of Survey Results for Kenyasi, Bogoso/Prestea & Tarkwa

Knowledge/Awareness of Benefits of Mining and CBAs More Specifically:

- 69% see little to no benefit from mining
- 87% believe that there is little to no acceptance of mining among stakeholders
- 93% say the regulatory framework is slightly or not at all effective
- 87% say that mining companies are only a little or not at all accountable
- 88% have little to no knowledge of BAs, and 86% for specific benefits from BAs
- 97% have only slight or less clarity about mining companies' spending
- 56% say that BAs make no diff; another 27% say only slightly positive
- 26% get no info on company spending for the community; 54% from the company; only 1.5% from the govt; 29% from word of mouth

State of relationships among stakeholders:

- Community to company - 83% say poor or extremely poor
- Company to government - 72% say good or excellent
- Local government to national government - 38% say good to excellent
- Community to traditional authorities - 75% say poor or extremely poor

Benefits Priorities – which are vital?

- Employment and Training- 88%
- Infrastructure - 64%
- Education - 69%
- Healthcare - 72%
- Increase revenues - not at all
- Direct cash - 43%
- Environment - 48%
- Marginalized groups - 45%
- Improved government capacity - 49%
- Local procurement- 39%

Who is responsible for public services?

- Company - 82%
- National Government - 83%
- Das - 68%
- Traditional Authorities - 46%

Who is accountable for community benefits?

- Company - 76% little to none

- Government - 91% little to none
- DAs - 96% little to none

Who should monitor community benefits?
- 3rd party experts - 46%
- Community representatives - 43%
- DAs - 28%
- Community as a whole - 20%
- Government - 13%
- Companies - 14%

Who should evaluate community benefits?
- 3rd party experts - 53%
- Community leaders - 47%
- Community as a whole - 21%
- Company -16%
- Government - 8.5%

When should evaluation Take Place?
- Ongoing - 51.5%

What should be evaluated?
- Amount spent - 86%
- Relevance of projects to needs - 73%
- Community feels positively about projects - 67%
- Promised goods/services were delivered - 53%
- Clear socioeconomic improvement - 40%

Tsuma's (2010, 2) ethnographic political ecology study of the Tarkwa mining region suggests the key to understanding mining outcomes as a complex and shifting dance of key powerful actors. He concludes,

> The unequal distribution of benefits within the mining areas is an outcome of unequal power relations between societal actors (e.g., NGOs, government agencies, mining companies, universities) in these areas who engage in interacting with each other to meet and protect their 'special' interests. These interests are not necessarily in line with those of the local communities, neither are they always focused on protecting the natural environment.

Our research finds strong evidence of a powerful sentiment of distrust by communities towards other actors, including traditional authorities and DAs. Essentially, mining communities are not confident that anyone has their best interests at heart. **This distrust originates in several deficits in the governance of mining CBAs, including weak, or non-existent, mechanisms of *responsibility* and *accountability*.** Responsibility in this context means that authoritative decision-makers have an obligation to act (or not act) in a particular way. Accountability follows from responsibility and refers to authoritative decision-makers' being answerable for actions and inactions, both 'upwards' to the company/government and 'downwards' to the community. **The lack of *transparency* is another key deficit in the governance of CBAs.** Our research revealed that mining communities receive very little information, or distrust the information they do receive, about CBAs. To the extent that transparency refers to the availability of accurate information about existing conditions, decisions, and actions in a timely, accessible, visible, and understandable manner, its absence in the cases we studied is a major hurdle. This is because transparency is crucial for the informed consent of the communities on whose behalf decisions are made and critical for effective M&E. Transparency facilitates the scrutiny, control, and oversight at the core of accountability, and is central to the fulfilment of responsibility obligations.

Our research also revealed CBA governance deficits in the areas of *representation* and *participation*. Representation focuses on whether mining communities have a say in selecting those who make authoritative decisions on their behalf and whether those decision-makers advance the community's interests, while participation focuses on community members' ability to take part in decision-making and influence decision outcomes. To be clear, mining communities are by no means homogenous. A diversity of groups and interests, sometimes conflicting, and power differentials among individuals and groups, characterize mining communities. The haves within the community enjoy comparatively better standards of living tied to mining companies. They are more often the better educated, and through their newfound resources enjoy a privileged status in the community. The company forums are a direct reflection of this (perhaps subconscious) strategy of elite capture. The have-nots, the majority in the community, have a lower standard of living and compete with each other for unskilled labor jobs, holding their tongues for fear of reprisals. Local contractors are part of this system, hoping in the absence of any other alternatives, for company contracts. The lack of transparency and accountability in hiring and the award of contracts further skew the system of representation and participation towards elite capture. When pressed, companies and governments correctly, but not rightly, say that all is legal. In the end, what we see is a formal set of relations that cover up an underlying set of power relations.

How can unorganized communities find a way to rally together and organize around common demands? The answer is that despite differences within and among communities, they have common interests and common demands. **Thus, our research indicates that a necessary starting point towards improving CBA governance and achieving positive community development outcomes is to see mining communities as important 'actors' or 'agents' in**

their own right and engage them as active *subjects* in their own development. The current situation where mining companies and their partners in local and national government treat mining communities' as *objects* of development, as passive recipients of development projects construed as benevolent charity, is not only paternalistic, but also unsustainable and ultimately self-defeating.

This is because mining companies want credit for 'giving' projects to the community, even if it means stepping into essentially public services. Thus, they crowd-out the development of local capacity, and it is all too convenient for companies to co-opt local leaders, DA members, and chiefs. This admonition also applies to NGOs. Tsuma (176, 187, & 196) notes that even NGOs such as WACAM are often out of touch with the local communities they serve. He suggests that the NGOs are often reflections of individual founder's and/or leaders' personal visions and values, and that the frequent reliance on outside international funding agencies, and, in some cases (including consultants and academic experts) on the companies, reduces their ability to act as intermediaries for communities. Universities in this space, such as the University of Mines and Technology, also receive major funding from companies.

The lack of adequate funding and accountability mechanisms for both the DAs and the chiefs is notable and exacerbated by mining benefit activities. Effectively, mining companies would like to be seen as benevolent benefactors, handing out charitable gifts of development to the communities. The strategy backfires as community needs far outstrip what the companies, or their partner, the government, is willing to provide. No one takes responsibility for making sure that the projects given as 'gifts' to communities lead to longer-term development. In addition, because companies have assumed the role of benevolent benefactors, the communities begin to see the situation as one in which development projects are handed-down as gifts, like manna from heaven, rather than as a reflection of public services provided by government and paid for by taxes, royalties and other levies. This dependency culture creates an insidious approach to development as something bestowed by outside agents, rather than through processes of self-realization through empowerment and agency. It also undercuts the authority and legitimacy of the government to deliver public services and be responsible and accountable for such. In the end, mining companies do not have the authority and ability to develop a community, and so setting up company foundations rather than paying taxes sets up the situation for failure.

It is rather strange that the mining companies, given this atmosphere of distrust, and the many critical studies by groups such as WACAM of community sentiments, do not engage in any community surveys. The reliance on intermediary forums that are clearly subject to elite capture places in doubt their efforts to directly reach community members. Whatever the intention, the co-optation of chiefs, DAs, the national government, and local 'opinion leaders' through contracts or the threat of blacklisting from future employment smacks of an attempt to do just enough to avoid direct confrontation. Moreover, the activities of company foundations and accusations of rigging consultative committees comes across as being disingenuous; at the very least, there is inadequate coordination with the national and local governments on a long-term strategy of regional development.

Similarly, the lines of communication between national government agencies such as the MinCom and EPA and communities are weak, although they have staff in mining districts and claim to consult with communities. The interviews with these important national agencies left us with the impression that the officials saw their job as assuaging, not fighting for, the communities. Our impression is that consultation efforts tend to be pro forma in nature, and thus do not lend confidence to those concerned about the environment. The reality is that for most of the communities, the national government is largely absent as far as pursuing their interests vis-à-vis mining companies is concerned. Allegations in the communities of government (local and national) collusion with mining companies need to be addressed to avoid the slow brewing of discontent that could occasionally erupt as seen in the Obuasi shutdown. As noted in section 8.4 on AGA, community members want to see concrete and visible proof of improvement, not ribbon cutting at new foundation projects. Without neutral baseline indicators, there remains a disconcerting degree of arbitrariness and subjectivity to monitoring and evaluation. Moreover, where there is a lack of visible progress, such as the poor infrastructure throughout Kenyasi, it is hard for the community to feel that mining is making a real difference.

The lack of direct community engagement and apparent unwillingness to confront pressing issues such as abuses and conflicts of interests by public officials and traditional authorities, amidst growing youth discontent is a ticking time-bomb in our view. The lack of authoritative, trustworthy information related to community development, rather than company expenditures, appears to the community like window dressing rather than effective problem solving. Without adherence to a long-term community development plan, one approved by the communities and aided by the expertise of local government, the best efforts of companies are seen as ephemeral and passing. The lack of an external, independent monitoring and evaluation system including community participants further exacerbates the situation.

Suspicions about the lack of enforcement of legal rights and protections, foremost among them those around land compensation, resettlement and the environment further deepens community distrust. Customary land ownership further complicates the issues around land compensation and resettlement as noted in our case studies and in the literature. However, the communities lack access to legal representation. This starts with the negotiation process, where a multinational mining company and national government, armed with extensive resources, approach a poorly resourced and uninformed rural community with promises of development, which the latter must take at face value. In this sense, the legal/formal and the real world clash. Until the company and the government seek to bridge pro-actively this gap, distrust will continue. Communities need funds from the government to hire their own experts to prepare for negotiations, to assist in ongoing representation, and to participate in the monitoring, evaluation, and enforcement of agreements. Companies auditing themselves or contracting outside consultants is a clearly inadequate system in this environment of distrust.

11.2 Broad Recommendations on Mining Governance

The ICMM and Chamber of Mines report (2015, 8-9) provides five main recommendations that are in general consonance with our observations in this study. First, it calls for a clearer mining policy framework that will link and guide mining to the "country's development plan." Second, it calls for "greater clarity on the management and use of the country's revenues." Third, it calls for a "national action plan" to develop more local procurement. Fourth, it suggests "a strategic framework for social investments" that will align with local authority spending; in other words, to harmonize company contributions with public service provision by the government. Fifth, it suggests to "build (the) capacity of different stakeholders." This includes local and national government, local entrepreneurs, and "communities' understanding" of the mining industry and their legal rights. A key conclusion of the ICMM/Chamber of Mines report, reflecting the small % of royalties reaching local communities poignantly states, "the current treatment of mineral revenues as part of general revenues into the consolidated fund dilutes the important contribution of mining the eyes of the public, and does not recognize the need to convert mineral revenues into long-term physical and human capital." Furthermore, 100% of interviewees in the report expressed concern about the long-term environmental consequences of mining (48). In short, it cites virtual consensus among different elite stakeholders that the "institutional framework" needs to be strengthened (47).

The following is our own list of policy recommendations from our analysis:

1. Take necessary steps to implement the 2014 *Minerals and Mining Policy,* the first comprehensive national policy statement on mining's role in the country's sustainable development, and review existing mining laws and regulations to ensure consistency with policy.

2. Develop a long-term plan of how mining can fit into a wider vision of a diversified high income, high wage economy. Develop national champions- local companies who can do the mining and sell it around the world. Over the long-run, mining revenues should be seen as investment capital to provide a stepping stone to move Ghana into higher value added, more labour-intensive industries and services, not an end in and of itself.

3. Make CBAs a mandatory, legally binding obligation for all large-scale mining operations – to base them on legislation, not charity on the part of mining companies.

4. Take necessary steps to operationalize fully the 2016 MDF, especially the 20% allocated to the CDS. Track MDF funding flows via its various channels to ensure the proper usage of funds and institute periodic audits of all MDF channels and beneficiaries including DAs and traditional authorities. Ensure that a significant portion of the 50% of MDF funds that go to traditional authorities through the OASL is invested in community development projects, and require public disclosure of all monies accruing to traditional authorities via the MDF. Given the lack of trust within local communities, ensure that there is complete transparency about the transfer of MDF

funds (or have the company send it directly to local government), and that there is transparency and local consultation in the expenditure of the funds. On the national level, it may be worth investigating the setting up of an independent Mineral Development Fund that could accumulate a certain percentage of the royalties and make strategic investments along the lines of sovereign wealth funds. This money could be invested to guarantee income and investment capital to future generations, including to mitigate the effects of post-mine closure.

5. Strengthen the mining fiscal regime (especially royalties and taxes) and environmental regulations. Do not succumb to threats from mining companies to leave Ghana and invest elsewhere. These threats encourage mine-hosting countries to compete with each other in a 'race to the bottom' by offering very low tax and royalty rates and lax environmental standards in the effort to attract foreign investment. The fact is that Ghana with its stable democratic system and general adherence to the rule of law is a very attractive place to do business compared to many other mineral-rich countries in the sub-region and elsewhere. Do not simply accept IMF or World Bank precepts that 3% or 5% is enough where Ghanaian resources are involved. These resources are not renewable, and the companies involved are making sizeable net profits each year. Similarly, do not just accept at face value the 1% and 1$/oz. formula, which is extremely arbitrary in nature, and reflects a notion of charity rather than responsibility. It could be that losing some mining business in order to strike a better bargain will lead, in the long-term, to more return for what, in the end, are finite resources.

6. Ensure that the EPA is well resourced. Adopt a continual monitoring system for environmental indicators at all mine sites. Allow access to the monitoring instruments by the public. Create a public reporting system that is anonymous and available 24 hours a day, 7 days a week with appropriate field office responses within a reasonable time (1-2 days). Hold companies accountable with stiff fines for breaches, creating a culture and appearance of compliance, rather than evasion.

7. Improve communication between national government agencies such as the MinCom and EPA and mining communities in the ways outlined above.

8. Rather than having companies set up parallel public service systems, push them to pay higher taxes and then to support the building of local government capacity to lead development according to long-term plans that include economic diversification and job creation as well as increasing local supply chain activity. In other words, make their contribution via their CBAs one of building local governance capacity rather than providing substitute governance. In this sense, they can act as another source of accountability for governments through fiscal leverage tied to measurable outputs, rather than detracting from it by bypassing them. At present, the company foundations create a culture of dependency and lead to unrealizable and unlimited demands. Their formal consultation systems are undermined by the complex systems of voting which appear biased in favor of the company and local authorities and governments; even the selection of representatives to these foundation forums is usually not democratic. The goal should be develop local government capacity including revenue collection that can outlast

mining, and is subject to voter scrutiny, including participatory budgeting. Companies may reject this suggestion, as they may be unwilling to allow DAs to carry out projects because of their assumed roles as generous benefactors. This approach is bound to backfire for the reasons noted above. Mining companies can rightly claim to be the most important contributors to the tax base, and if they want extra credit, such as naming rights, they can do so through direct contributions to projects selected by communities through their DAs. In the end, building the capacity of the DAs will make them responsible for providing public services and goods, which is their mission, unlike that of the companies', which is foremost to make profits. More importantly, as DAs become elected, the community will have direct accountability for the choices they make. The company forums are flimsy version of this.

9. Engage in a pro-active campaign to engage ASM in meaningful dialogue, and integrate ASM into national mining policy in line with principles 15 and 16 of the 2014 *Minerals & Mining Policy*. Provide access to capital loans and equipment and create avenues for them to legally improve their situation and scale-up into medium-sized producers. Unabashedly push a Ghanaian ownership and development strategy. Look to other models such as Codelco (Chile) or Australia to promote national champions. Recognize that local ownership means profit stays at home, creating a virtuous cycle of re-investment and spillover effects.

10. Develop a national policy and strategy to ensure that women participate in and benefit from mining. Eliminate obstacles/structural impediments to women's participation in line with principle 17 of the 2014 *Minerals and Mining Policy*.

11. Communities need to recognize the limits of what a mining company can do in regard to providing public services. Rather, mining should be seen as a catalyst or source of a multiplier effect for economic development.

11.3 Specific Recommendations on CBAs & M&E systems

1. Take steps to address CBA governance deficits we have identified – enhance the responsibility, accountability and transparency of authoritative decision-makers, and enhance community representation and participation in decision-making, in line with principles 6 and 18 of the 2014 *Minerals and Mining Policy*.

2. Adopt international best practices by providing guidelines for mandatory benefits agreements, Free and Prior Informed Consent by communities for projects, and participant-oriented, truly independent monitoring and evaluation. This M&E must have clear and neutral baseline indicators and focus on measurable community development outcomes such as poverty rates, graduation rates, the employment rate, and access to health clinics.

3. Close the information gap through direct community engagement and hiring experts (lawyers, accountants, planners) for the community. Make all benefits agreements and reports readily available to the public via various channels including the internet.

4. Give mining communities better access to legal representation to defend their rights, in line with principle 8 of the *Minerals and Mining Policy*, 2014.

5. Make all mining labour and procurement contracts go through a neutral broker, rather than chiefs or DAs. The labor broker should be appointed by the community and paid for out of company funds. Make the procurement process transparent.

6. Give resettled farmers suitable land for farming, rather than cash or houses. Give them the ability to choose land where they want within reason, or with the help of neutral experts. The new land should be purchased by local governments from the chiefs, rather than by the companies, using funds donated by the companies. Companies should not be in the resettlement business. Similarly, local government should provide agricultural inputs, loans, and other assistance as part of a regional development plan, rather than simply purchasing the assent of a few farmers. Once the fiscal regime is reformed, local government can use increased funds to ramp up such activities.

7. Redouble efforts to close skills gaps in mining training. The mining sector should be seen as a method of technology and management transfer from multinationals for the long-term goal of building local capacity. This is an even more important benefit than the royalties.

8. Prioritize spending on public goods, such as common infrastructure, that benefits an entire community. This will reduce transactions costs, improve economic growth and opportunities for commerce, and reduce partisanship in arguing over to whom benefits accrue. We use the term infrastructure broadly, to include basic needs, from roads to sanitation, water, electricity, and education and health care.

Principles for Sound Monitoring and Evaluation Systems

Good CBA governance rests upon information and trust, which in turn require **locally appropriate participatory monitoring and evaluation systems** where the community can engage firsthand in examining how mining revenues benefit them, and ensure that these revenues are spent efficiently, equitably, and in the common long-term interests of the community.

a) A **socioeconomic baseline** should be created for each community and monitoring should take place to see how mining is affecting the general welfare. The AGA report provides a good example. This should include longitidunal (long-term) evidence of progress through tracking the fortunes of a representative sample of community members and their families over time.

b) M&E frameworks for CBAs should include **both quantitative data and qualitative data,** incorporate participatory methods, and enhance downward as well as upward accountability

c) Communities should participate with technical experts from the national and local governments through the democratic process and **deliberate and ongoing consultation to identify priorities that are in the common interest** (e.g. visible infrastructure) **and part of a long-term development** plan for improving shared concerns, such as access to services, employment, and income.

d) All projects should undergo **due diligence in regard to both procurement and hiring**, so that international best practices, including public notices of competition and criteria for selection, are in place.

e) **Clear and publicly available indicators and targets are a must to assess and demonstrate progress**. Indicators of progress should be a mark of pride for both companies and governments, and issues should be brought out into the open where the community can assist in their discussion and resolution.

f) What is needed most of all is to **build local capacity for monitoring and evaluation by neutral experts who are trusted by the community and paid out of general funds, rather than the mining company, to avoid the appearance of a conflict of interest.** Local experts, such as those from a nearby university or NGO, will not only better understand the context, but have a vested interest in seeing the success of the project. Their payment should be set aside as an ongoing budget item; they should be treated as an arm of the government auditing function to avoid politicization.

g) **Encouragement of reporting** through responsible local media outlets allows the government and companies to create a sense of trust and also provides local sources of information. The current climate of hiding CBAs and avoiding questions has just the opposite effect. Protests are a sign of something that needs to be addressed, not squelched. Similarly, universities with expertise in social and technical areas should compete for funding to conduct studies of mining communities in order to provide deeper and more long-term studies and recommendations. This is the essence of good governance.

Appendix 1: Interview Questions

------------Intro to Interview Questions-----------

This interview should take approximately 30 minutes. The interview seeks to expand our knowledge about how monitoring and evaluation in the Ghanaian mining industry in order to make policy suggestions. The interview is completely voluntary and anonymous, and you can choose not to answer any question. We also give you time at the end of the interview to expand upon or add to any answers.

-----------Questions---------

I. Identification

Please be assured all answers will be kept confidential. We are seeking to speak to all o the key stakeholders across the industry.

Contact information **(optional)**

1. Name
2. E-mail
3. Phone
4. Occupation?
5. Number of years in the mining industry? In what capacities?
6. Demographic information
    a. Gender
    b. Age
    c. Education Level
    d. Approximate Yearly Income

Comments:

II. Opinion about Mining Community Benefit Agreements

7. In general, how do you view mining activities in your country? As overall positive, negative, or mixed? What about in your specific community?
8. What would you say are the main benefits of the mining sector in Ghana? What about in your community? How well do the legal and regulatory systems function?
9. How would you characterize the relationships among the key stakeholders:

    -governments-companies

- national government-local government (both traditional rulers and district assemblies)

-governments-communities

-companies-communities

-traditional rulers-district assemblies

10. Are you aware of community benefits agreements and what they generally include? Do you think they are important and why?
11. What is your opinion of how much community benefit agreements have helped to improve mining outcomes? What would you say are the principal issues around community benefit agreements?
12. How should the priorities for how a mining company delivers benefits be set? Which stakeholders should be involved? Who gets a say if there is a conflict?
13. How transparent, in your opinion, is the situation around expenditures for mining benefits?
14. Do you think local governments receive enough of the share of the Mineral Development Fund? What is your opinion about local government capacity to manage mineral revenues? What is your opinion more specifically about how revenues are monitored and used at the local level?
15. Are you aware of any current monitoring and evaluation systems for mining benefits and, if you are, what is your opinion on how they are working?
16. How often should mining benefits be monitored? Yearly, every 2 years, semi-annually, or on an ongoing basis?
17. Who should do the monitoring and evaluation? The company, the community, the government, independent evaluators, NGOs/civil society or some combination?
18. To what extent should we focus on the company processes for delivering benefits vs. company deliverables vs. community outcomes?
19. Should we use quantitative indicators, such as water quality or school attendance and/or the qualitative data, such as perceptions of the community about benefits?
20. Most of the monitoring and evaluations are done either internally or by independent consultants. Is it possible to incorporate the community in a meaningful way into monitoring? For example, could environmental assessments include community input?
21. How should employment opportunities be evaluated? How do we deal with quality issues, like salary, gender, and sustainability, that often pop up beyond just the numbers of jobs?
22. Is there any way to incorporate internal community decision-making processes in social impact assessments/reviews? It could be that everything works well in a formal sense, but there are other issues below the surface.
23. How can we tell if an evaluator is truly independent?
24. Do you have any other thoughts that you would like to share about this subject?

-------------Closing-----------

Thank you very much for your input! It will help us to better understand policies to help the mining industry. You can contact Andy Hira, ahira@sfu.ca for a copy of the public report that will result from this study. It should be available sometime in 2019.

Sincerely,

Andy Hira

Appendix 2: Survey Questions

-----------Questions---------

III. Identification (optional)

Please be assured all answers will be kept confidential. We want to ensure that a key person from each institution fills out the survey so that we can understand the patterns across the industry.

Contact information

25. Name
26. E-mail
27. Phone **(or some other id requested)**
28. Profession
    a. Do you work in mining or a related industry? Y/N
    b. How many years have you worked in the mining industry? #
29. Demographic information
    a. Gender M/F/O
    b. Age #
    c. Highest Education Level Achieved (None/Primary/Secondary/Tertiary)
    d. Approximate Yearly Income (cedis)

Comments:

30. **Opinion about Mining Industry. Survey taker: When you do the survey, you can just circle the answer below and then record it into the excel spreadsheet later. Answers are recorded in excel using the #, letter, or check box. See excel spreadsheet.**
31. What would you say is your level of knowledge about the mining industry generally? Choices: 0.None 1.a little 2.Some 3.a significant amount 4.expert
32. How would you rate the overall benefits of mining for your community/country? Choices: 0.None 1.a little 2.some 3.a significant amount 4.a great deal
33. How would you rate the degree of consensus among stakeholders around mining projects? Choices: 0. None 1.a little 2. Some 3.a lot 4.there is consensus
34. How would you rate the regulatory and legal framework around mining in your community/country?

    Choices: 0. not effective 1.slightly effective 2.neutral 3.effective 4.very effective

35. How would you rate the level of accountability of mining companies in delivering promised benefits to communities? Choices: None-a little-some-a significant amount-expert

36. On a scale of 0-10, with 0 being extremely poor and 10 being excellent, how would you rate each of these key relationships among stakeholders?

    a. Community to mining company
    b. Company to government
    c. Community to government

IV. Opinion about Community Benefit Agreements

37. How would you rate your knowledge of mining community benefit agreements?

0. No knowledge 1. Minimal knowledge 2. Average 3. High level of knowledge
4.Expert knowledge

38. What is your opinion about community benefit agreement outcomes?

0. Not helpful. 1. Slightly helpful 2. Make no difference 3. Can make a difference
4. Important.

39. How aware do you think communities are of the specific benefits that mining companies have promised?

0. No knowledge 1. Minimal knowledge 2. Average 3. High level of knowledge
4.Expert knowledge

40. Who do you think bears the responsibility for delivering public services to the community? Circle all that apply and assign a number for how important they are, from 0-10, with 10 being the most important.

    a. Mining company ____
    b. National Government ____
    c. Traditional Chief ___
    d. District Assembly ___
    e. NGOs ___

41. How would you rate the transparency of spending by mining companies for communities benefits?

0. Totally unclear; 1. Generally unclear; 2. Slightly clear; 3. Clear;
4. Obvious and transparent

42. In general, how accountable do you think companies are for delivering on community benefits?

    0.None   1.a little   2.some   3.a significant amount   4.a great deal

43. In general, how accountable do you think governments are for delivering on public services to communities?

    0.None   1.a little   2.some   3.a significant amount   4.a great deal

44. Please consider the following possible benefits. How would your prioritize them on a scale of 0-4, with 0 being unimportant, 1 slightly important, 2 important, 3 very important, and 4 absolutely vital.
    a. Increased revenues to government __
    b. Direct cash payouts to community individuals ___
    c. Infrastructure ____
    d. Education ___
    e. Health care ___
    f. Employment and training ___
    g. Environmental protection and restoration ___
    h. Investments directed to help marginalised communities or individuals ___
    i. Improved capacity of governments to deliver services __
    j. Local procurement ___
    k. Other? Please fill in ____ __

45. Who do you think should be monitoring and evaluating community benefit agreements? Circle all that apply.
    a. Mining company __
    b. Government ___
    c. Third party experts ___
    d. Community leaders or representatives ___
    e. The community as a whole ___

46. How often do you think a monitoring and evaluation of community benefits should take place?
    a. At the end of a project __
    b. In the middle, and end of a project ___
    c. Annually ___
    d. Ongoing basis __

e. Other fill in ____

47. What elements do you think should be included in a monitoring and evaluation system for community benefits? Check all that apply.
    a. Promised goods/services were delivered ___
    b. Promised goods/services have delivered on their suggested outcomes in measurable outcomes___
    c. The community feels positively about the promised goods/services ___
    d. There are clear indicators that the social and economic conditions of the mining community have improved __

48. Feel free to comment or expand upon any of your answers above, or to make related comments.

-------------Closing-----------

Thank you very much for your input! It will help us to better understand policies to help the mining industry. You can contact Andy Hira, ahira@sfu.ca for a copy of the public report that will result from this study. It should be available sometime in 2019.

Appendix 3 Ethics Protocols

Consent Form and E-mail Script for **Mining Monitoring and Evaluation Interview**

Andy Hira

Simon Fraser University, Dept. of Political Science

e-mail: ahira@sfu.ca

Dear colleague:

We are conducting research on how to improve monitoring and evaluation systems in community benefit agreements in mining projects. We are being funded by a Canadian think tank, CIRDI (Canadian International Resources & Development Institute). Our research team includes Andy Hira and James Busumtwi-Sam, who are professors of political science at Simon Fraser University, and Jordon Kuschminder, who is a mining community relations consultant. We invite you to participate in an off-the-record, confidential interview that will last approximately 40 minutes. Our hope is to create some guidelines that will improve monitoring and evaluation so that there will be greater agreement and potentially less conflict among communities, companies, and governments in mining projects. As a stakeholder in the mining community, you have a unique and important perspective that can help inform and improve policies.

While we promise to keep all colllected data confidential, please keep in mind that we can not give a 100% guarantee that someone who reads our report will not be able to guess whom we might have interviewed. This is unavoidable given that we are studying three well known mining sites/communities.

We are sending the interview questions ahead of time so there are no surprises. Please be assured that the interview is voluntary and confidential, and you are free to withdraw or to not answer any question at any time. We can conduct the interview at your place or work, or another place at your convenience. We will set the time and place by mutual agreement before we meet.

The resulting data will be presented as research without any specific identifiers as to the individuals or companies unless you ask us to do so. I may specify a general category with your response, such as “community member A” or “company official B”. In general, the answers you provide will be amalgamated into a larger data set with each response anonymized. In exceptional circumstances, I might want to use a direct quote attributable to you. In that case, I would run it by you and ask for your permission before doing so. We plan to present our analysis at academic conferences and publish it in academic journals. To clarify, “Off the record” would mean that I would say “company official” or “community leader” but not use proper names.

I am required by ethics procedures to inform you of the following. The interview is completely voluntary and you are free to not answer any questions. I would like to assure your responses will be kept confidential and responses will be reported anonymously unless you specifically give me permission to discuss your company. As noted above, there is a theoretical risk to you that someone reading our report may guess we have talked to you. Since I am contacting you for your opinions as an individual, I have not requested permission from your organisation. However, I am happy to do so if need be. Refusal to participate or withdrawal/dropout after agreeing to participate can not have any adverse effect or consequences on your employment. We are researchers with no ties to or influence upon your company or any government, so our only motivation is to find the truth to create better policies.

The interview responses will be kept at Simon Fraser University and secure as per the ethics requirements; only the research team will have access to the results that identify participants. Once we finish with the research, we will download the data to a flash drive to be stored in a locked file cabinet in my office. No companies or individuals will be reported in the results unless I receive explicit permission from them first. After the study is completed, upon request, I will make anonymized versions of the data available to other researchers upon request. If you have any doubts or questions, or would like a copy of the results, please contact me at ahira@sfu.ca. If you have any questions regarding ethics procedures, you may contact Dr. Jeff Toward, Director, Office of Research Ethics, jtoward@sfu.ca, 778-782-6593. The ethics file number for this study is 2018007. Your agreement to participate in the study will be taken as an assent to the ethics procedures outlined here. You may agree to sign this form or simply to oral consent if you do not feel comfortable with signing the form. We can leave a copy of the form for you.

Thank you very much for your time and consideration.

Andy Hira, Simon Fraser University

____

Signature of Participant (or oral consent)

Date:

Consent Form and E-mail Script for **Mining Monitoring and Evaluation Survey**

Andy Hira
Simon Fraser University, Dept. of Political Science
e-mail: ahira@sfu.ca

[to be read by the surveyer before commencing the survey]

Dear colleague:

We are conducting research on how to improve monitoring and evaluation systems in community benefit agreements in mining projects. We are being funded by a Canadian think tank, CIRDI (Canadian International Resources & Development Institute). Our research principal investigators are Andy Hira and James Busumtwi-Sam, who are professors of political science at Simon Fraser University, and Jordon Kuschminder, who is an international mining social relations consultant. We invite you to participate in an off-the-record, confidential survey that will last approximately 20 minutes.

Our hope is to create some guidelines that will improve monitoring and evaluation so that there will be more agreement among communities, companies, and governments in mining projects. We really want to know what communities think about mining projects so that they can be improved, and lead to positive community relations. The benefits for participating are clear- as a member of a mining community, you have a unique and important perspective that can help inform and improve policies. There is no risk to you for participating in this project.

We have hired XXX consultants to help us with the survey. They are employing graduate students who will abide by our ethics procedures. They will write down your phone number on the form. This is only to ensure that each form is legitimate. They will download all the surveys onto electronic files that they will then put onto a computer flash drive. They will then pass on that flashdrive to Dr. Busumtwi-Sam or a family member of his through XXX consultant. All original files will be destroyed, so that only the SFU researchers have access to your information.

Please be assured that the survey is voluntary and confidential, and you are free to withdraw and to not answer any question at any time. We can conduct the survey at your place or work, or another place at your convenience. We will set the time and place by mutual agreement before we meet.

The resulting data will be presented as research without any specific identifiers as to the individuals. We are asking a few background demographic questions so that we can better understand what different community members think about how mining projects should be evaluated. We plan to present our analysis at academic conferences and publish it in academic journals.

We are required by ethics procedures to inform you of the following. The survey is completely voluntary and you are free to not answer any questions. I would like to assure your responses will be kept confidential and responses will be reported anonymously unless you specifically give me permission. There is absolutely no risk to you. Refusal to participate or withdrawal/dropout after agreeing to participate can not have any adverse effect or consequences on your employment**.** We are researchers with no ties to or influence upon any company or any government; our only motivation is to find the truth to create better policies.

The interview responses will be kept at Simon Fraser University in Canada and kept secure; only the research team will have access to the results that identify participants. Once we finish with the research, we will download the data to a flash drive to be stored in a locked file cabinet in my office. No companies or individuals will be reported in the results unless I receive explicit permission from them first. After the study is completed, upon request, I will make anonymized versions of the data available to other researchers upon request. If you have any doubts or questions, or would like a copy of the results, please contact me at ahira@sfu.ca. If you have any questions regarding ethics procedures, you may contact Dr. Jeff Toward, Director, Office of Research Ethics, jtoward@sfu.ca, 778-782-6593. The ethics file number for this study is 2018007.

Your agreement to participate in the study will be taken as an assent to the ethics procedures outlined here. You may agree to sign this form or simply agree through oral consent if you do not feel comfortable with signing the form. We can leave a copy of this form for you.

Thank you very much for your time and consideration.

Andy Hira, Simon Fraser University

____

Signature of Participant (**or oral consent**)

Date:

Appendix 4: PRINCIPLES OF MINERALS AND MINING SECTOR POLICY
(From *Minerals and Mining Policy of Ghana,* 2014)

1. Ensuring that Ghana's mineral endowment is managed on a sustainable economic, social and environmental basis;
2. Extracting and managing Ghana's mineral endowment with due regard to internationally accepted standards of health, mine safety, environmental and human rights protection;
3. Fostering the development of a mining sector that is integrated with other sectors of the national economy;
4. Promoting the transformation of mining capital into other forms of development capital;
5. Contributing to the economic empowerment of Ghanaians by generating opportunities for local entrepreneurship, increasing demand for local goods and services and continuously creating employment opportunities for Ghanaians;
6. Applying modern principles of transparency and accountability to the administration of mining laws and regulations;
7. Ensuring an equitable sharing of the financial and developmental benefits of mining between investors and all Ghanaian stakeholders;
8. Respecting the rights of communities that host mineral resources development;
9. Encouraging local and foreign private sector participation in the exploration for, and commercial exploitation of, mineral resources;
10. Recognising the need to establish and maintain a conducive macro-economic environment for mining investment;
11. Developing a predictable regulatory environment that provides for the transparent and fair treatment of investors;
12. Ensuring availability and accessibility of geo-scientific data necessary for the promotion of minerals sector investment;
13. Incorporating in the licensing system an early focus on mine closure and post closure planning to anticipate and provide ahead for environmental, social and economic consequences;
14. Promoting sustainable livelihoods in mining communities;
15. Supporting the development of Ghanaian mining skills, entrepreneurship and capital by encouraging and facilitating the orderly and sustainable development of small-scale mining in precious and industrial minerals;
16. Maximising opportunities for minerals-related education, training, career development and other support to empower Ghanaians to become owners and managers of mines and other professionals in the mining industry;
17. Respecting employee, gender, children's rights and other human rights in mining, and the removal of obstacles to participation in the mining sector on the basis of gender, marital status or disability;

18. Encouraging mining companies to develop a participatory and collaborative approach with local communities in decision making relating to mine planning, development and decommissioning;
19. Developing streamlined institutional arrangements with adequate capacity for effective promotion and regulation of the mining sector;
20. Acting in harmony with regional and international conventions and other instruments relevant to mining by endorsing and implementing principles that are established in these conventions and instruments.

References

Aboagye, Stephen. 2014. Mining and resettlement of communities in Ghana: Exposing the harm caused by forced displacement and relocation. Found at: https://miningwatch.ca [accessed Mar. 19, 2018]

Adoboe, Justice Lee. 2012. Ghana's new tax regime ruffles mining firms. Oct. 4. Found at: (https://www.newsghana.com.gh/ghana-set-to-enforce-10-percent-windfall-tax-on-mining/ [Accessed: Mar. 26, 2018]).

Adonteng-Kissi, Obed, and Barbara Adonteng-Kissi. 2017. Living with conflicts in Ghana's Prestea mining area: Is community engagement the answer? *Journal of Sustainable Mining.* 16: 196-206.

Ahwoi, K. 2010. *Local Government and Decentralisation in Ghana*, Unimax Macmillan, Accra

Akabzaa, T.M., J.S. Seyire, and K. Afriyie. 2007. *The Glittering Façade: Effects of Mining Activities on Obuasi and Its Surrounding Communities.* Accra: Third World Network-Africa.

Akabzaa, Thomas. 2001. *Boom and Dislocation: The Environmental and Social Impacts of Mining in the Wassa West District of Ghana*. Accra: Third World Network- Africa.

Akabzaa, Thomas. 2009. Mining in Ghana: Implications for National Economic Development and Poverty Reduction, 25-65 in Bonnie Campbell, *Mining in Africa: Regulation and Development.* London: Pluto Press.

Akpalu, Wisdom, and Ametefee K. Normanyo. 2017. Gold Mining Pollution and the Cost of Private Healthcare: The Case of Ghana. *Ecological Economics.* 142: 104-12.

Akwasi Sarpong, Samuel. 2010. *Multinationals and the Social Perspectives: An Assessment of the Mining Communities in Western Ghana.* PhD. Dissertation. Cardiff U.

Alagidede, Paul, William Baah-Boateng and Edward Nketiah-Amposah, 2013. The Ghanaian Economy: An Overview. *Ghanaian Journal of Economics*, 1: 4-34

Ampofo, A. A, 2014. G*ender and society in Africa: An introduction*. Accra: Sub-Saharan Publishers.

Armah, Frederick A. and Samuel Obiri. 2016. Exposure to Toxicants in Environmental Contaminants Within Newmont Ghana Gold Ltd.- Ahafo Mine: Human Health Risk Assessment Approach. Accra: Ford Foundation and WACAM.

Asamoah, Kwame, 2012. A Qualitative Study of Chieftaincy and Local Government in Ghana. *Journal of African Studies and Development*, 4 (3) 90-95.

Ayee, Joseph, Tina Søreide, G.P. Shukla, and Tuan Minh Lee. 2011. Political Economy of the Mining Sector in Ghana. Policy Research Working Paper 5730. Washington: World Bank.

Baah-Boateng, S. 2013. Determinants of Unemployment in Ghana. *African Development Review* 25(4): 385–399.

Banchirigah, Sadia Mohammed. 2006. How have reforms fuelled the expansion of artisanal mining? Evidence from sub-Saharan Africa. *Resources Policy.* 31(3): 165-71.

Boafo-Arthur, K. 2003. Chieftaincy in Ghana: Challenges and Prospects in the 21st Century. *African and Asian Studies* 2(2):125-15.

Bornstein, Lisa. 2006. Systems of Accountability, Webs of Deceit? Monitoring and Evaluation in South African NGOs. *Development* 49(2): 52-61.

Boateng, Michael. 2017. Ghana: Irate Youth Demonstrate Against Newmont Ahafo Mine. *All Africa.* Found at: http://allafrica.com/stories/201708031016.html [accessed Mar. 29, 2018]

Brew, Yaw, Chai Junwu, and Samuel Addae-Boateng. 2015. Mining communities' perceptions of corporate social responsibility in Ghana. *International Journal of Economics, Commerce and Management.* III(7): 514-28.

Busumtwi-Sam, James. 1996. Models of Economic Development in Africa: Lessons from the Experiences of Ghana, 1957-1995. *Commonwealth and Comparative Politics*, 34, 3:174-98.

Busumtwi-Sam, James. 2003. Rethinking Development: Governance, Participation and Ownership, in *Turbulence and New Directions in Global Political Economy,* edited by J. Busumtwi-Sam and L. Dobuzinskis (Basingstoke: Palgrave, 2003) pp. 85-106.

Campion, Benjamin B. and Emmanuel Acheampong, 2014 The Chieftaincy Institution in Ghana: Causers and Arbitrators of Conflicts in Indutrial Jatropha Investments, *Sustainability*, 6: 6333-6350

Commission on Human Rights and Justice (CHRAJ). 2008. *The State of Human Rights in Mining Communities in Ghana.* Accra: CHRAJ.

Coyle, Lauren. 2015. Tender is the Mine: Law, Shadow Rule, and the Public Gave in Ghana, 297-317 in Charlotte Walker-Said and John D. Kelly, *Corporate Social Responsibility? Human Rights in the New Global Economy.* Chicago: U. of Chicago Press.

Crawford, Gordon and Nana Akua Anyidoho. 2013. Ghana: struggles for rights in a democratizing context, 88-119 in Bård A. Andreasson and Gordon Crawford. *Human Rights, Power and Civic Action: Comparative analyses of struggles for rights in developing societies.* NY: Routledge.

Crawford, Gordon. 2010. Decentralisation and struggles for basic rights in Ghana: opportunities and constraints. *The International Journal of Human Rights.* 14(1): 92-125.

Danso, Joseph, Emmanuel Aubynn, Allison Coppel, Zira John, and Benjamin Teschner. 2016. The Newmont Ahafo Development Foundation- putting shared value into action. *Proceedings of Mining and Communities Solutions.* June 6-7 Vancouver, Canada.

Dashwood, Hevina S. and Bill Buenar Puplampu. 2015. Multi-Stakeholder Partnerships in Mining: From Engagement to Development in Ghana. 131-53 in J. Andrew Grant, W.R. Nadège Compaoré and Matthew I. Mitchell, *New Approaches to the Governance of Natural Resources: Insights from Africa.* NY: PalgraveMacmillan.

Dashwood, Hevina S. and Bill Buenar Puplampu. 2010. Corporate Social Responsibility at Golden Star Resources, Ghana: A Multiperspective Collaborative Case Study Report. Found at: (www.ryerson.ca/csrinstitute/current_projects/Dfait_ch3_GSR_Ghana.pdf [accessed: Mar. 28, 2018])

Debrah, E. 2009. The economy and regime change in Ghana, 1992–2004. *Ghana Soc. Sci. J.*, 5&6 (1&2): 84-113.

Dupuy, Kendra. 2017. Corruption and elite capture of mining community development funds in Ghana and Sierra Leone, 69-79 in A. Williams and P. LeBillon, *Corruption, natural resources and development: From resource curse to political economy.* Cheltenham, UK: Edward Elgar.

Ebrahim, Alnoor. 2003. Accountability in Practice: Mechanisms for NGOs. *World Development* 31(5): 813-829.

Easterly, William, and Tobias Pfutze. 2008. Where Does the Money Go? Best and Worst Practices in Foreign Aid. *Journal of Economic Perspectives* 22(2): 1-36.

Extractive Industries Transparency Initiative. 2014. Improving the impact of mining royalties at the local level in Ghana. Found at: (https://eiti.org/blog/improving-impact-of-mining-royalties-at-local-level-in-ghana [accessed: Mar. 23, 2018]).

Essah, Marcellinus and Nathan Andrews. 2016. Linking or de- linking sustainable mining practices and corporate social responsibility? Insights from Ghana. *Resources Policy.* 50: 75-85.

Gale Virtual Reference Library. 2014. Ghana. *Countries of the World and Their Leaders Yearbook 2014.* ed. Karen Ellicott, vol. 1, Gale, 2014, pp. 872-886, accessed Mar. 19, 2018.

Ghana Chamber of Mines. 2018. *Performance of the Mining Industry in 2018.* Accra: The Ghana Chamber of Mines.

Ghana Chamber of Mines. 2016. *Performance of the Mining Industry in 2016.* Accra: The Ghana Chamber of Mines.

Ghana Minerals Commission. 2014. Minerals and Mining Policy of Ghana: Ensuring mining contributes to sustainable development. Found at: (http://www.mlnr.gov.gh/images/downloads/Mines-Policy.pdf) [Accessed Mar. 30, 2018]

Ghana Web. 2016. Newmont does not deserve excellence award - Kenyase residents. Feb. 25. Found at: https://www.ghanaweb.com/GhanaHomePage/business/Newmont-does-not-deserve-excellence-award-Kenyase-residents-418611 [accessed Mar. 26, 2018].

Ghana Web. 2016b. Community Fights Golden Star Wassa. Found at: (https://www.ghanaweb.com/GhanaHomePage/business/C-nity-to-fight-Golden-Star-Wassa-433768 [accessed Mar. 24, 2018]).

GHEITI (Ghana Extractive Industries Initiative). 2016. 2015 Annual Activity Report. Accra: GHEITI.

Giovannetti, Frédéric, and Michael Poku-Boansi. 2017. Review of the WACAM Report "Assessing the Social and Economic Effects of Mining on Women Affected by NGGL. Accra: Newmont.

Golden Star Resources Ltd. 2016. 2016 Corporate Sustainability Report. Toronto: Golden Star Resources Ltd.

Golden Star Resources Ltd. 2015. Ni 43-101 Technical Report On A Feasibility Study Of The Wassa Open Pit Mine And Underground Project In Ghana. Toronto: Golden Star Resources Ltd.

Hilson, Gavin and Abigail Hilson. 2017. Mining in Ghana: Critical Reflections on a Turbulent Past and Uncertain Future, 261-78 in Ernest Aryeety and Ravi Kanbur, *The Economy of Ghana Sixty Years after Independence*, NY: Oxford U. Press.

Hilson, Gavin and Godfried Okoh. 2013. Artisanal Mining in Ghana: Institutional Arrangements, Resource Flows and Povery Alleviation, 138-63 in B.K. Campbell, *Modes of Governance and Revenue Flows in African Mining.* NY: Palgrave Macmillan.

Hilson, Gavin, Natalia Yakovleva and Sadia Mohammed Bacnhirigah. 2007. To Move or Not to Move': Reflection on the Resettlement of Artisanal Miners in the Western Region of Ghana. *African Affairs.* 106/424: 413-36.

Hilson, Gavin, and N. Yakovleva. 2007. Strained relations: a critical analysis of the mining conflict in Prestea, Ghana. *Political Geography.* 26 (1): 98-119.

International Council on Mining & Metals. 2015. *Mining in Ghana-What future can we expect?* with the Ghana Chamber of Mines. July.

Jacobs, Alex, Chris Barnett, and Richard Ponsford. 2010. Three Approaches to Monitoring: Feedback Systems, Participatory Monitoring and Evaluation and Logical Frameworks. *IDS Bulletin* 41(6): 36-44.

Kapstein, Ethan and René Kim. 2011. The Socio-Economic Impact of Newmont Ghana Gold Limited. Accra: Newmont Gold Ltd. found at:

https://www.newmont.com/files/doc_downloads/Blog%20Posts/Our%20Business/Socio_Economic_Impact_of_Newmont_Ghana_Gold_July_2011_0_0.pdf [accessed Mar. 19, 2018]

The Khana Group (TKG). 2015. AngloGold Ashanti Community Trust Fund Baseline Report: Iduapriem Min Concession. Consulting report.

Kilu Rufai and M.A Sanda, 2014. *Examining Gender Equity Research in Ghanaian Mines.* Conference paper, July 2014) Available from: https://www.researchgate.net/publication/288180423_Examining_Gender_Equity_Research_in_Ghanaian_Mines_A_Meta-Analytical_Approach [accessed May 18 2018].

Kim, René, Tlas van Moorsel and Ethan B. Kapstein. 2013. The National and Regional Socio-Economic Impact of Newmont Ghana's Ahafo Mine. Found at: www.stewardredqueen.com [accessed Mar. 19, 2018]

Knutsen, Carl Henrik, Andreas Kotsadam, Eivind Hammersmakr Olsen, and Tore Wig. 2017. Mining and Local Corruption in Africa. *American Journal of Political Science.* 61(2):320-34.

Kwame, E. 2007. Women in Mining: The Minority Concerns. Threats, Challenges and Opportunities. *1st International conference on human resources management in the mining industry*. Tarkwa Gold Mines.

Lawson, E.T. and G. Bentil. 2014. Shifting sands: Changes in community perceptions of mining in Ghana. *Environment, Development, and Sustainability.* 16:217-38.

Loutit, Jennifer, Jacqueline Mandelbaum, and Sam Szoke-Burke. 2016. Emerging Practices in Community Development Agreements. *Journal of Sustainable Development Law and Policy*. 7(1): 64-96.

Luning, Sabine, and Robert J. Pijpers. 2017. Governing access to gold in Ghana: in-depth geopolitics on mining concessions. *Africa.* 87(4): 758-79.

Mares, Radu. 2012. Corporate responsibility and compliance with the law: a case study of land, dispossession, and aftermath at Newmont's Ahafo project in Ghana. *Business and Society Review*. 117(2): 233-80.

Mining and Communities. 2011. Ghana: Newmont told to stop abusing community rights. Found at: (http://www.minesandcommunities.org/article.php?a=11095 [Accessed: Mar. 26, 2018]).

Mueller-Hirth, Natascha. 2012. If You Don't Count, You Don't Count: Monitoring and Evaluation in South African NGOs. *Development and Change* 43(3): 649-670.

Newmont. 2009. *Community Relationships in Review: Global Summary Report.* March. Found at: https://www.newmont.com [accessed Mar. 19, 2018].

New York Times 2018 https://www.nytimes.com/2018/03/10/world/africa/ghana-worlds-fastest-growing-economy.html [Accessed July 14 2018]

Obeng-Odoom, F. 2014. Urban Land Policies in Ghana: A Case of the Emperor's New Clothes? *Review of Black Political Economy*. 41:119–143.

Obiri, Samuel. 2009. Determination of Heavy Metals in Water Bodies in the Tarkwa and Obuasi Mining Areas. Aug. Accra: WACAM.

OEC, Atlas Media, https://atlas.media.mit.edu/en/profile/country/gha/ [Accessed July 2018]

OECD. 2016. *Evaluation Systems in Development Co-operation: 2016 Review*. Retrieved from https://www.keepeek.com//Digital-Asset-Management/oecd/development/evaluation-systems-in-development-co-operation_9789264262065-en#page1 (Accessed March 21, 2018).

Open Society Institute of Southern Africa, Third World Network Africa, Tax Justice Network Africa, Action Aid International, and Christian Aid. 2009. *Breaking the Curse: How Transparent Taxation and Fair Taxes can Turn Africa's Mineral Wealth into Development*. Johannesburg: Open Society Institute of Southern Africa.

Oppong, Seth. 2016. Corporate Social Responsibility in the Ghanaian Context, 419-42 in S.O. Idowu, *Key Initiatives in Corporate Social Responsibility*, Geneva: Springer International.

Oxford U. Press. 2015. Ghana, in *A Dictionary of World History*. 3rd ed. Accessed Mar. 19, 2018.

Phelps, Richard W. 2002. Golden Star Succeeds Where Others Have Failed. *Engineering and Mining Journal.* June: 16-20.

Puplampu, Bill Buenar and Hevina S. Dashwood. 2011. Organizational Antecedents of a Mining Firm's Efforts to Reinvent Its CSR: The Case of Golden Star Resources in Ghana. *Business and Society Review.* 116(4): 467-507.

Riches, Christopher and Peter Stalker. 2016. *A Guide to Countries of the World.* 4th ed. NY: Oxford U. Press.

Rockson, Kweku. 2016. Corporate Social Responsibility Policies And Labour Practices In Ghana: A Case Study Of Anglogold Ashanti And The International Framework Agreement. PhD. Dissertation, Social Science, U. of Leicester.

Schueler, Vivian, Tobias Kuemmerle, and Hilmar Schröder. 2011. Impacts of Surface Gold Mining on Land Use Systems in Western Ghana. *Ambio.* 40: 528-39.

Segbor, Esinu Dalmenda. 2014. Human Rights Struggles in Ghana's Mining communities: The Case of Prestea. MA Thesis. Dept. of International Environment and Development Studies. Norwegian U. of Life Sciences.

SRC Consulting Ltd. 2010. The Development of Social Responsibility Guidelines for Mining Companies in Mining Communities. Final Report for Minerals Commission.

Sydow, Johanna. 2016. Global Concepts in Local Contexts: CSR as "Anti-Politics Machine" in the Extractive Sector in Ghana and Peru, 217-42 in Catherine Dolan and Dinah Rajak, *The Anthropology of Corporate Social Responsibility.* Berghahn Books.

Third World Network, Africa. 2012. Statement by the National Coalition on Mining (NCOM) at the Instance of the 6th Annual National Mining Forum Held at New Abirem in the Birim

North District of the Eastern Region, Ghana. Oct. 3. Found at: (https://www.facebook.com/twnafrica/posts/10151213736058633 [accessed Mar. 26, 2018]).

Tsuma, William. 2010. *Gold Mining in Ghana: Actors, Alliances and Power.* Berlin: LIT Verlag.

Twerefou, Daniel K., Kwadwo Tutu, John Owusu-Afriyie, and Kwame Adjei-Mantey. 2015. Attitudes of Local People to Mining Policies and Intervention. Working Paper. London: International Growth Centre.

United Nations Development Program (UNDP). 2015. *Final Report: Review of Alignment between the Africa Mining Vision (AMV) and Ghana's Policy/Legal Frameworks for Solid Minerals.* Accra: UNDP.

University of Texas School of Law, Human Rights Clinic. 2010. Communities Affected by Mining in the Tarkwa Region of Ghana. June. Austin: U. of Texas.

Wan, Pei Man Jessica. 2014. Environmental justices and injustices of large-scale gold mining in Ghana: A study of three communities near Obuasi. *The Extractive Industries and Society.* 2014. 1(1): 38-47.

Wenar, Leif. 2006. Accountability in International Development Aid. *Ethics and International Affairs* 20(1): 1-24.

World Bank 2018 http://www.worldbank.org/en/country/ghana/overview#2 [accessed May 2, 2018]

Yamoah Tenkorang, Emmanuel. 2016. Assessing the Social and Economic Effects of Mining on Women Affected by Newmont Ghana Gold Limited's Operations. 2016. Accra: WACAM and Ford Foundation.

Yamoah Tenkorang, Emmanuel and Hannah Owusu-Koranteng. 2005. OECD Guidelines and Corporate Social Responsibility: An Exploratory Study of the Mining Sector in Ghana. Dec. Accra: University of Cape Coast and WACAM.

Yankson, Paul W. K. 2010. Gold mining and corporate social responsibility in the Wassa West district, Ghana. *Development in Practice.* 20(3): 354-66.