



**MINISTRY OF LANDS &
NATURAL RESOURCES**



CRITERIA FOR THE DISBURSEMENT AND UTILISATION OF THE MINERALS DEVELOPMENT FUND (MDF)

PREAMBLE

The Minerals Development Fund (MDF) was established with the passage of the Minerals Development Fund Act, 2016 (Act 912) to provide a more reliant and predictable source of funding of development initiatives in mining communities.

MANDATE

Paragraph (e) of section 7 of Act 912 mandates the MDF Board in consultation with the Minister of Lands and Natural Resources, to prepare and publish in a daily newspaper of national circulation the criteria for the disbursement and utilization of the moneys from the Fund.

OBJECTIVES OF THE MDF

The broad objectives of the Fund as provided under section 5 of Act 912 is to

- a) provide funds to redress the harmful effects of mining in affected communities and persons;
- b) promote research and capacity building for local content development for mining companies, mining regulatory institutions;
- c) provide funds for economic development projects and alternative livelihood projects in communities affected by mining activities; and
- d) provide funds to support projects aimed at promoting the mining sector.

DISBURSEMENT OF THE FUND

Subject to paragraph (e) of section 7 of Act 912, the moneys received by the Fund from mineral royalty payments made to the Ghana Revenue Authority (GRA) shall be **disbursed** in accordance with section 21 of the MDF Act as follows:

- a) fifty percent (**50%**) of the moneys shall be allocated to the office of the Administrator of Stool Lands and disbursed as prescribed by law;
- b) twenty percent (**20%**) of the moneys shall be allocated to the Mining Community Development Scheme;
- c) four percent (**4%**) of the moneys shall be allocated to supplement the mining operations of the Ministry;
- d) thirteen (**13%**) percent of the moneys shall be allocated to supplement the mining operations of the Minerals Commission;
- e) eight percent (**8%**) of the moneys shall be allocated to supplement the mining operations of the Ghana Geological Survey Authority;
- f) five percent (**5%**) of the moneys shall be allocated for research, training and projects aimed at the promotion of sustainable development through mining of which at least forty (**40%**) shall be allocated to the Ghana Geological Survey Authority.

The administrative and other expenses related to the management of the Fund shall be charged on the Fund and it shall not exceed two percent (**2%**).

UTILIZATION OF THE FUND

Subject to the disbursement formula as prescribed in Act 912 section 7(e), further mandates the MDF Board, in consultation with the Minister of Lands and Natural Resources, to prepare and publish in a daily newspaper of national circulation the criteria for the utilization of the moneys from the Fund.

In accordance with the foregoing, the **Utilization** of moneys disbursed to the various MDF beneficiary Agencies as prescribed in Act 912 shall be as indicated below:

NO.	INSTITUTION	UTILIZATION
1	Office of the Administrator of Stool Lands	<p>To supplement the operations of the Office of the Administrator of Stool Lands (OASL) as indicated in the OASL Act, 1994 (ACT 481) which states that ten percent (10%) of the revenue accrued from stool lands shall be paid to the Office to cover administrative expenses and the remaining revenue shall be disbursed by the Administrator as follows:</p> <ul style="list-style-type: none"> a) twenty percent (25%) to the stool through the traditional authority for the maintenance of the stool in keeping with its status; b) twenty percent (20%) to the traditional authority; and c) fifty-five percent (55%) to the District Assembly within the area of authority in which the Stool Lands are situated.
2	Mining Community Development Scheme	To facilitate the socio-economic development of the communities in which mining activities are undertaken and are affected by the mining operations.
3	Minerals Commission	To supplement the mining related operations of the Minerals Commission, empowering them to efficiently and effectively regulate, manage and utilize Ghana's mineral resources as mandated in the Minerals and Mining Act, 2006, Act 703.
4	Ghana Geological Survey Authority	To supplement the mining related operations of the Ghana Geological Survey Authority specifically in the area of conducting research to discover new minerals as mandated in the Ghana Geological Survey Authority Act, 2016, (Act 928).
5	Ministry of Lands and Natural Resources	To support the mining related operations of the Ministry in the area of monitoring and policies that will enhance mining development in the country.
6	Administrative Charges (MDF Secretariat)	To support administrative, operational and other related expenses in pursuance of the management of the Fund.
7	Research	For research, training and projects aimed at promoting sustainable development through mining.