

**MINERALS DEVELOPMENT FUND  
- MDF -**



**GUIDELINES FOR THE MANAGEMENT OF THE MINING COMMUNITY  
DEVELOPMENT SCHEME (MCDS) FUNDS BY LOCAL MANAGEMENT  
COMMITTEES (LMCs)**



**PREPARED BY:  
THE MDF BOARD**

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## Acronyms

DA	-	District Assembly
GoG	-	Government of Ghana
GRA	-	Ghana Revenue Authority
GSA	-	Ghana Geological Survey Authority
LMC	-	Local Management Committee
MC	-	Minerals Commission
MCDS	-	Mining Community Development Scheme
MDF	-	Minerals Development Fund
MIIF		Mineral Income Investment Fund
MLNR	-	Ministry of Lands and Natural Resources
OASL	-	Office of the Administrator of Stool Lands
TA	-	Traditional Authority

## List of Statutes

The Minerals Development Fund Act, 2016 (Act 912)

The Mineral Income Investment Fund Act, 2018 (Act 978)

The Office of the Administrator of Stool Lands Act, 1994 (Act 481)

The Office of the Administrator of Stool Lands Regulations, 2019 (L.I. 2377)

The Land Use and Spatial Planning Act, 2016 (Act 925)

The Public Procurement Act, 2003 (Act 663)

The Public Procurement (Amendment) Act, 2016 (Act 914)

The Public Financial Management Act, 2016 (Act 921).

The Internal Audit Act, 2003 (Act 658).



## Preamble

The Minerals Development Fund Act, 2016 (Act 912) was passed by Parliament and assented to by the President of the Republic of Ghana on 29<sup>th</sup> March 2016 to provide financial resources for the direct benefit of mining communities, institutions responsible for the development of the mining sector, traditional and local government authorities and related matters. In effect, the Fund has been earmarked specifically for development programmes and projects in mining communities and for mining institutions within the communities.

The funds of the MDF is comprised of twenty percent (20%) of mineral royalties paid by mining companies to the GoG under section 31(1) of the Mineral Income Investment Fund Act, 2018 (Act 978), grants, donations, returns on investments and gifts approved by Parliament. The framework for distribution by the MDF is provided under section 21 of Act 912. It stipulates that fifty percent (50%) of this amount is paid to the Office of the Administrator of Stool Lands (OASL) to be disbursed to beneficiaries as prescribed by law. The provisions of sections 1(a), (b), (c) and 7 of the Office of the Administrator of Stool Lands Act, 1994 (Act 481) and regulation 12 of the Office of the Administrator of Stool Lands Regulations, 2019 (L.I. 2377) stipulate the mandate, collection and disbursement of stool land revenue. They provide to the effect that OASL shall retain ten percent (10%) of the revenues for its administrative expenses and that twenty-five percent (25%) shall be paid to the Stool, twenty percent (20%) to the Traditional Authority and fifty-five percent (55%) to the District Assemblies.

The MDF by the provisions of sections 21(3), (c), (d), (e) and (f) distributes cumulatively thirty percent (30%) to supplement operations of the Minerals Commission (MC), Ghana Geological Survey Authority (GSA), and Ministry of Lands and Natural Resources (MLNR) for research, training and projects aimed at the promotion of sustainable development through mining. The Fund then allocates twenty percent (20%) to the Mining Community Development Scheme (MCDS) to support the socio-economic development of mining and mining-affected communities as stipulated by the provisions of section 21 (3) (b) of Act 912.

The MCDS is established under section 16(1) of Act 912 for each 'mining community' and all Schemes that were in existence in the mining communities before the commencement of Act 912 shall be deemed as Schemes established under the Act. The provisions of section 19 of Act 912 establishes the Local Management Committee (LMC) for a 'mining community'. It spells out the composition as well as the mandate to administer and operate the Scheme and further imposes a duty on the LMC to perform the functions assigned to it by the MDF Board.

Section 198 of the Land Use and Spatial Planning Act, 2016 (Act 925) defines "community" as a group of households who refer to their defined settlement or administrative area by the same name. It further defines "community right of space" to include a road, street, footpath, pavement, passenger terminal, parking area, any public right of way, school ground, hospital ground, open space, cemetery, playing field, square, durbar ground, market place, public place of assembly, or any space or ground or area for public or community use that exist or is so designated in an approved structure or local plan or under the provision of any law.

Section 27 of Act 912 defines a "mining community" as a community in which mining operations take place or which is affected by mining operations as determined by the Board."

From the foregone, and for purposes of the Scheme and its operational viability, a "mining community" is defined as a contiguous mining operational area within a District or a defined geographical area.

The purpose of these Guidelines is to provide a framework to:

- i. Ensure that disbursements from MDF to the MCDS are actually used in providing the much needed socio-economic benefits and development of the mining communities.
- ii. Assist LMCs to ensure that in consultations with communities and relevant stakeholders, all projects and programmes conform with the Medium and Long-Term Development Plans of the Assembly and informed by Government Policy.
- iii. Ensure that LMCs comply with all relevant applicable statutes especially the Public Procurement Act, 2003 (Act 663) as amended by the Public Procurement (Amendment) Act, 2016 (Act 914) and the Public Financial Management Act, 2016 (Act 921).
- iv. Assist the LMCs in ensuring the strict compliance and adherence to the provisions of these Guidelines in respect of disbursement, utilisation of funds and monitoring of approved developmental projects to the expectation of the MDF Board.
- v. Ensure that all relevant stakeholders derive development satisfaction from the utilisation of funds disbursed to MCDS.

In sum, the MDF Board shall ensure transparency and compliance in respect of its disbursement of funds to mining communities by insisting on the adherence of these Guidelines and all applicable statutes.



## 1.0 Framework for the establishment of the Mining Community Development Scheme (MCDS)

### 1.1 Establishment of the MCDS

- i. An MCDS shall be established for each mining community.
- ii. An MCDS that was in existence in a mining community before the commencement of Act 912 shall be deemed to be a Scheme established under the Act.
- iii. There shall be an MCDS for each contiguous mining operational area within a District or a defined geographical area.

### 1.2 Objects of the MCDS

- i. The object of the Scheme is to facilitate the socio-economic development of mining communities and those affected by mining operations.

### 1.3 Operations of the Local Management Committee (LMC)

- i. The MCDS shall be administered and operated by the LMC.
- ii. The composition of the LMC shall be governed by the provisions of section 19 of Act 912
- iii. The membership of the LMC shall be on a voluntary basis.
- iv. The LMC shall in consultation with the District Assembly and Traditional Authority(s) provide office accommodation for the Scheme.
- v. The District Assembly shall second a staff to the LMC to assist in the management of the Office.
- vi. The Scheme Coordinator shall collaborate with the LMCs and the MDF Administrator in the execution of projects.

### 1.4 Membership of the LMC

1.4.1 The Membership of the Local Management Committee shall be in accordance with section 19 of Act 912 and shall comprise:

- a. The Chief Executive of the District Assembly of the mining area for which the LMC has been established or the representative of the Chief Executive
- b. Traditional ruler(s) of the mining community.
- c. One representative of
  - i. the District Office of the Minerals Commission nominated by the Chief Executive; and
  - ii. Each mining company within the District.
- d. One representative of an identified Women's Group in the community.
- e. One representative of an identified Youth Group in the community.

## 1.5 Qualification of Chairperson, Secretary and Members of the LMC

1.5.1 The qualification for members of the LMC shall be in accordance with Act 912 and these Guidelines;

- (1) The Chairperson of the LMC shall be a resident in the community appointed by the Board in consultation with the District Assembly and Traditional Authorities of the mining community.
- (2) Where there is a representative of the Chief Executive, the representative shall not be below the rank of a Director of the District Assembly.
- (3) The Secretary of the LMC shall be a person appointed as the representative of the District Office of the Minerals Commission nominated by the Chief Executive.
- (4) Where there is a representative of the Secretary, the representative shall not be below the rank of a Senior Officer of the District Office of the Mineral Commission
- (5) Where there are two or more Women Groups or Youth Groups within a mining community, a representative of the Women Group and Youth Group shall be selected from among themselves to serve on the Committee as they may deem fit.

## 1.6 Appointment of Public Officers/Professional Advisors/Consultants

1.6.1 The LMC may co-opt not more than two persons who are Public Officers, Professional Advisers or Consultants to attend a meeting of the LMC to assist in the deliberations as and when necessary.

## 1.7 Functions of the LMC

- i. The LMC shall administer and operate the Scheme.
- ii. The LMC shall supervise and manage any modalities and directives instituted by the MDF Board for the purpose of managing the Scheme.
- iii. The LMC shall perform any other function(s) assigned by the MDF Board.

## 1.8 Tenure of office of members of the LMC

- i. A member of the LMC shall hold office for a term of two (2) years and is eligible for re-appointment for another term only.
- ii. A member of the LMC may at any time resign from office in writing addressed to the MDF Board.
- iii. A member of the LMC who is absent from three (3) consecutive meetings without sufficient cause shall cease to be a member of the LMC.
- iv. The LMC shall notify the MDF Board of a vacancy in the membership of the LMC.
- v. The Board may by a letter addressed to a member revoke the appointment of that member for a stated cause or reason.



- vi. Where a member of the LMC, is unable to act as a member, the MDF Board shall determine whether the inability would result in the declaration of a vacancy.
- vii. Where a vacancy is determined by the Board, a formal notification shall be made to the LMC and the vacancy shall be filled as prescribed in paragraph 1.4 of these Guidelines.
- viii. Where there is a vacancy under paragraph 1.8 (ii), (iii), (iv), (vi) and (vii) and by reason of the death of a member, the Board shall be notified of the vacancy and a new member shall accordingly be appointed in line with the established provisions of Act 912.

### 1.9 Meetings of the LMC

- i. The LMC shall meet at least once every quarter to discuss, evaluate and or approve projects.
- ii. The Chairperson of the LMC may convene an Emergency Meeting.
- iii. A quorum is formed when five (5) members including the following are present:
  - a. The Chairperson;
  - b. The MCE or DCE or a representative of the MCE or DCE; and
  - c. The Secretary to the LMC.
- iv. The LMCs shall regulate the activities of their meetings.
- v. The LMC shall notify the Administrator of their meetings.
- vi. The MDF Administrator may attend meetings of the LMC.
- vii. Where there are two or more traditional rulers within a mining community, the traditional rulers shall attend the meeting of the LMC but shall have only one vote.
- viii. Where there are two or more mining companies within a mining community, the representatives of the mining companies shall be at the meetings of the LMC but shall have only one vote.

### 2.0 Disclosure of interest

- 2.1. A member of the LMC who has an interest in a matter for consideration by the LMC shall
  - i. Disclose the nature of the interest and the disclosure shall form part of the record of the consideration of the matter; and
  - ii. Not be present at, or participate in the considerations of the LMC in respect of the matter.
- 2.2 A member ceases to be a member of the LMC if that member has an interest in a matter before the LMC and
  - i. fails to disclose that interest; and
  - ii. is present or participates in the deliberations of the matter.
- 2.3 The Board may revoke or nullify a decision on a matter that is arrived at during deliberations if an LMC
  - i. contravenes sub-paragraph (2.2); and
  - ii. benefit from the contravention.

### 3.0 Project Development and Approval Cycle

- i. The LMC shall in consultation with relevant stakeholders develop and submit to the MDF Board Quarterly Project Proposal using the Project Proposal Form (Annex 1) for funding of projects.
- ii. The LMC in consultation with the Community and relevant stakeholders shall ensure that all projects and programmes conform with the Medium and Long-Term Development Plans of the Assembly and Government Policy.
- iii. The Project Appraisal Criteria (Annex 2) shall serve as a reference guide to the LMC.
- iv. The LMC shall be required to consider the Project Proposal in a formal meeting.
- v. The LMC shall submit duly completed Project Proposal Form and associated budget signed by the Chairman to the MDF for review and approval.
- vi. The Board shall, within fourteen (14) working days, examine the proposal and process and inform the LMC accordingly.
- vii. The Board shall approve 'new project(s)' on condition that old project(s) have been completed.
- viii. Adjoining LMCs may consider the submission of joint project proposals where necessary and appropriate for funding for consideration and approval by the Board.
- ix. The MDF Board shall within forty-eight (48) hours of disbursement of funds into the Scheme, notify the respective LMC of the disbursement.
- x. The LMC shall ensure that all projects constructed with MDF funds are properly labeled to facilitate community appreciation and the usage of MDF funds for infrastructural development projects.

### 3.1 Project Implementation and Payment Timelines

- i. The LMC shall submit a project proposal for funding by the Board in accordance with the timelines as specified in sections 20 to 22 of Act 921 and sections 15 to 30 of L.I. 2378.
- ii. The LMC shall be responsible for implementing the approved projects.

### 4.0 Project Oversight by LMC

- i. The LMC shall receive project proposals from affected mining communities.
- ii. The LMC shall discuss, prioritize and approve specific projects received from affected mining communities.
- iii. The LMC shall develop a Project Implementation Plan in respect of an approved project.
- iv. The LMC shall submit a list of project and Project Implementation Plan(s) to the MDF Board for disbursement of funds.
- v. The LMC shall implement projects in accordance with Act 663 as amended, Act 921 and the Internal Audit Act, 2003 (Act 658).
- vi. The LMC shall monitor and supervise the project(s) throughout the project cycle.



- vii. The LMC shall submit quarterly Progress Report and an Annual Report to the MDF Board on project implemented and projects under implementation.

#### 4.1 Ineligible Areas of Operation by LMC

- i. The LMC shall not undertake any activity or responsibility that shall conflict with any function of the District Assembly.
- ii. The LMC shall not assume any responsibility that is not permissible under Act 912.

#### 4.2 Thresholds for LMC Operations

- i. The procurement approval thresholds for Entity Tender Committee as provided by Act 663 in the Third Schedule for Category F3: Municipal and District Assemblies shall apply as provided below:
  - a. Goods: GHS 50,000.00 - GHS 400,000.00
  - b. Works: GHS 90,000.00 - GHS 550,000.00
  - c. Services: GHS 50,000.00 - GHS 400,000.00
- ii. The Board shall approve expenditures above the established thresholds indicated in paragraph 4.2.i.

### 5.0 Management of the Scheme

#### 5.1 Disbursement

- i. The funds shall be applied strictly to approved projects and budgets.
- ii. The LMC shall not be eligible to receive salaries due to their voluntary roles and responsibilities.
- iii. The operating expenses of each LMC shall not exceed Two percent (2%) threshold of its disbursed allocation.
- iv. The LMC shall notify the MDF Board of any other donations or contributions from any other sources, and these Guidelines shall apply to the usage of such funds.
- v. The LMC shall maintain adequate accounting books for Audit and other relevant purposes.

### 6.0 Financial Provisions

- i. The MDF Board shall disburse funds to LMC within Seven (7) working days after receipt of moneys payable to the Fund.

- ii. Where approved LMC funds are not disbursed within the stipulated period as required by law then the funds shall be invested and the accrued interest shall be added to the principal of the concerned LMC and disbursed accordingly.
- iii. Any other moneys that may become lawfully payable to the LMC shall follow the same disbursement and spending provisions as if it were from the MDF.
- iv. An application for funding to the MDF shall be in the form (Annex 1) developed and prescribed by the Board.
- v. The Board may set conditions and deadlines for the submission of project proposal for funding.
- vi. The LMC shall submit a Quarterly Progress Report on the operations of the Scheme to the MDF Secretariat.
- vii. Where disbursed monies to LMCs are not used according to approved Guidelines or directives, further disbursements to the LMC shall be suspended and the monies shall be refunded in accordance with Act 921 and Act 658.
- viii. Where the LMC fails to submit project Reports and in instances of misapplication, discrepancies or not spending their allocation, the MDF Board shall suspend further allocations until appropriate corrective measures satisfactory to the Board are complied with and the Board may institute investigations if deemed necessary.

#### 6.1 Account and Payment Guidelines

- i. The LMC shall open a Bank Account with a reputable bank and inform the Board accordingly for the disbursement of funds.
- ii. There shall be at least two signatories for the Account, the Chairperson of the LMC and the Secretary as principal signatories and one alternate to be determined by the Committee.
- iii. The LMC shall provide the details of the Bank Account on the Project Proposal Form.
- iv. Following approval of the project proposal by the MDF Board, disbursements shall be paid into the respective LMC Bank Accounts.

#### 7.0 Procurement

- i. For goods, works and services, rules governing the thresholds for procurement processes in Act 663 as amended shall apply.
- ii. The timelines for the MCDS procurement shall be as provided for by Act 914.
- iii. The LMC shall ensure that competent contractors from stakeholder communities are prioritized for local shopping in the procurement processes.
- iv. The LMC shall ensure standard designs and their variations are approved by the accredited entities within their areas in the implementation of all projects involving infrastructural development.



## 8.0 Training and Capacity Building

### 8.1 The Board shall:

- i. Prescribe requisite training programmes for LMCs to ensure compliance with these Guidelines.
- ii. Organize education for LMCs on the provisions of Act 663 as amended, L.I. 2378 and all relevant applicable laws.
- iii. Establish baseline conditions and develop Annual Tracking Tools for monitoring of socio-economic development projects.
- iv. Offer training to the LMC on multi-stakeholder dialogue approaches, negotiations, conflict management and alternative dispute resolution to enable the conduct of their work.
- v. Develop communication and information strategy to disseminate achievements in mineral revenue utilization.

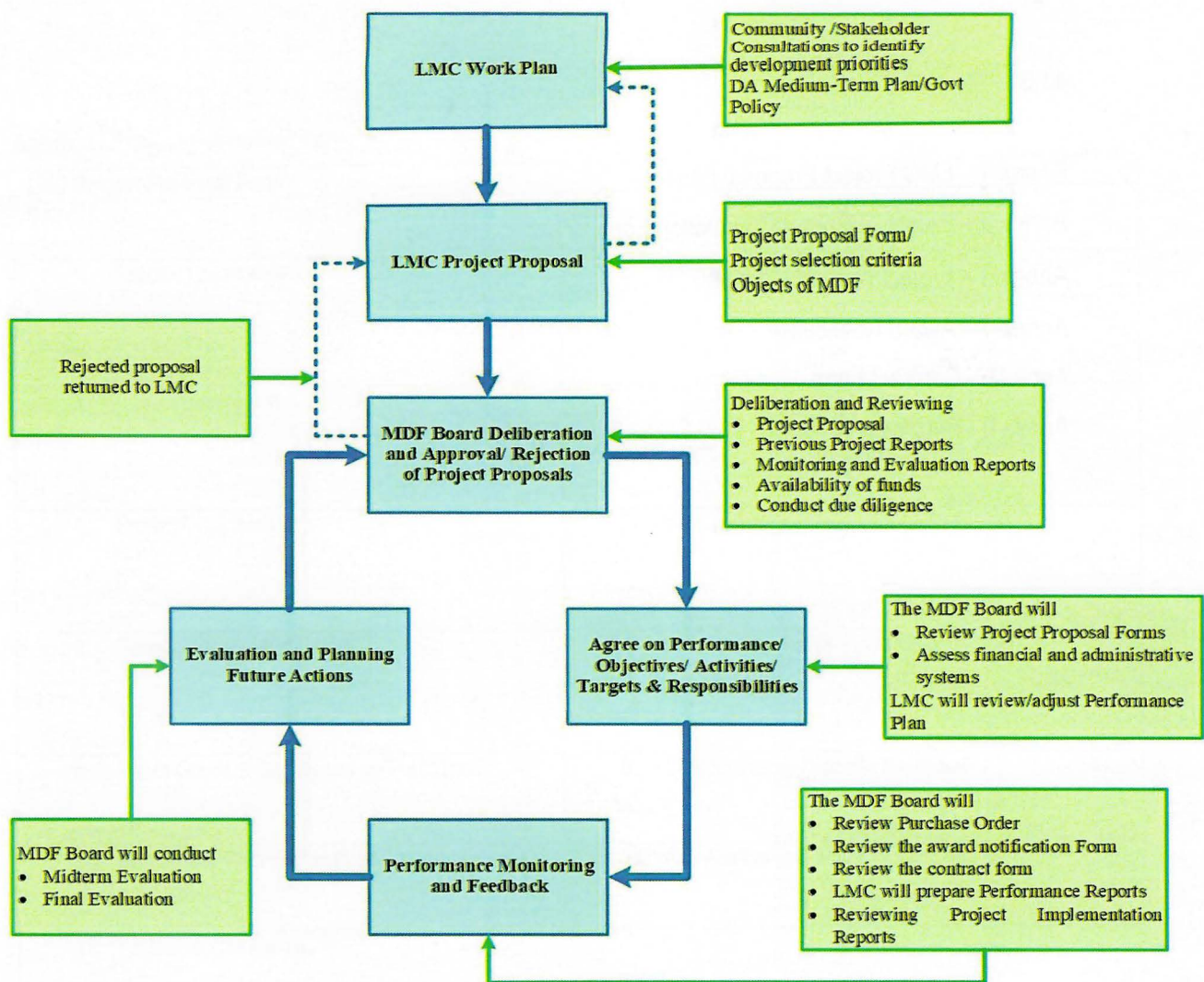
8.2 The MDF Secretariat shall fund Training, Capacity building and Monitoring of the Scheme.

8.3 The LMCs shall be offered training on Financial Management tools in compliance with the requirements of the Ghana Integrated Financial Management Information System (GIFMIS).

## 9.0 Monitoring & Evaluation

The project development, monitoring and evaluation for the Scheme shall be as shown in the Flow Chart in Fig 1, below.

- i. MDF Board shall be responsible for oversight of the LMCs in respect of usage of funds by the MCDS.
- ii. The MDF Board shall be required to investigate and audit the LMCs to ensure the necessary Forms and procedures have been utilized and the information provided in the forms reconcile with Bank Statements.
- iii. The LMC monitoring and evaluation activities shall be funded from the MCDS allocation.
- iv. The Internal Audit Units of the MDF Secretariat shall undertake quarterly and Annual Reviews to ensure compliance.



## 10.0 Conflict Resolution

<sup>1</sup> The Parties anticipated include, the LMC and the Board, LMC and Contractors and the LMC and Communities

## 11.0 Annexes

Annex 1 – LMC Project Proposal Form

Annex 2 – Progress Report/Completion Form

Annex 3 – Project Appraisal Notes

Annex 4 – Award Notification

Annex 5 - Contract Form

Annex 6 - Purchase Order



## Annex 1: Project Proposal Form

LMC Project Proposal Form			
DA:	Project Title	Date	Reference No.
1. Specific Location(s)		2. Name of Bank Account:	
3. Project Description:			
4. Project Objectives		5. Indicators for Achievement of Objectives	
6. Beneficiaries/Target Group		7. Timeline (start date – duration)	
8. List of Goods & Services to be Purchased		9. Cost Estimates (Specific Breakdown)	
10. Community Contribution (labor, materials, etc.)		11. Any Additional Sources of Funding	
12. Additional Comments			
13. Prepared By: Name of Local Management Committee:			
14. Name of Chairman	Signature:	Date:	
15. Other Committee Members present			
Name	Signature:	Date:	

**\*each project to be implemented should have a separate form filled.**



## Annex 2: Progress report/Completion Form

The LMC is required to complete the project implementation report. Where an LMC has 2 or more previous projects the LMC shall produce separate Project Implementation Reports. This report is to be completed and submitted to the Secretariat after completion of every project.

<b>Progress report/Completion Form</b>			
MMDA	LMC	Project Title	Reference No
Date Submitted		Date Approved	
Submitted By LMC		Approved By (MDF)	
Original Budget		Local Procurement Contract No (s).	Value(s)
Project Update (completed, partially completed, yet to commence)			
Project Outcomes (indicators of achieving objectives)			
Additional Comments (Challenges, lessons etc.)			
LMC Allocated to-date		Balance of LMC unspent to-date	
Report Prepared By Signature		Signature	Date

### FOR AUDIT PURPOSES ONLY

This section will be completed and signed after an audit or verification has been done on the project.

Name of Person:	Position:
Observations:	
Signature:	Date of audit/verification:

MCDS Coordinator	Signature	Date
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### Annex 3: Project Appraisal Notes

This appraisal criterion is to be used by LMCs when developing projects as well as by the MDF Board when evaluating project proposals. The following set of questions is to be asked of individual project proposals.

#### Project Effectiveness & Impact

- Does the project address the needs of the community and relate to the District Medium and Long term development plan.
- Have key stakeholders such as mining company(s) and mining communities have been consulted.
- How does it fit into the National development strategy?
- Will it make a difference in the community to aid or resolve issues?
- Does the project provide employment to local businesses/contractors?
- Has the impact on women, children, PWD and Aged been considered?
- Have youth been considered?
- Environmental sustainability

#### Project Sustainability

- Has the project considered its long-term sustainability once the original funding allocation has been spent?
- How will the project continue after funding? (longer-term sustainability objective)
- Does the project utilize local resources?
- Does the project build local capacity so that other similar projects could be undertaken when the project is completed?

#### Project Feasibility

- Is the proposed approach practical?
- Are the timelines realistic and the budget adequate?
- What relevant skills do the proponents bring to the project?
- Has the LMC succeeded in similar project implementation?

#### Partnerships with Other Funding Sources

- Has the project been developed with the objectives and mandates of other development partners in mind?
- Have other development partners been sought to increase impact and increase economies of scale?
- Has the private sector (mining), country donors or international financial institutions been approached to co-fund?

#### Balance of Portfolio

- Is there a balance of the grant portfolio in terms of gender, youth, environment and other identified issues to be addressed? (this would apply when a number of project proposals are received from the same community and there would have to be a balance within the grant submission portfolio)

#### USEFUL PROJECT DEVELOPMENT TIPS

1. Consult widely within the community.
2. Refer to MMDA Development Plans.
3. Select projects that will have spin-off effects (create local jobs, improve health, improve education etc.)
4. Coordinate with other community-based organizations.
5. Any other considerations by the LMC from time to time.

## ANNEX 4: AWARD NOTIFICATION

### NOTIFICATION OF AWARD



**Digital Address**

Date.....

**CONTRACT NAME:** .....

**PROJECT NO:** .....

1. This is to notify you that your Tender dated ..... for the execution of the contract for the .....(Contract Description, and Project Number), in the amount of..... in accordance with the instructions to Tender is hereby accepted. This includes port clearing charges.

2. This Notification of Award will constitute the formation of the Contract. However, until you furnish the Performance Security of **(10% of contract sum)** or **(30% of contract sum)** in the form of Insurance Bond and forward to us within **Fourteen (14) days** of receipt of the Notification of Award, the Contract shall not be deemed as active.

3. *An Advance Payment of Twenty percent (20%) of the contract sum will be paid to you no later than fourteen (14) days after contract signing upon the submission of Advance Mobilization Guarantee from a reputable bank/ insurance firm to cover the full amount (Optional).*

4. You are hereby directed to proceed with the fulfillment of Performance Security and Signing of Contract within Fourteen (14) days of receipt of this letter. Failure to comply with the fulfillment of Performance Security and Signing of Contract within the time prescribed will constitute the failure of formation of the contract. If you are so required, you may proceed with the processing of the Guarantee for the advance payment.

5. You are hereby directed to proceed with the necessary action for the execution of the Procurement in accordance with the Contract Documents.

Congratulations.

**NAME OF CHAIRPERSON  
ADDRESS OF LMC**

**TITLE OF CORPORATE HEAD  
ADDRESS OF SUPPLIER**



Annex 5: Contract Form



**Contract Form**

..... (Contract Description)

..... (Contract Number)

BETWEEN

**MINERALS DEVELOPMENT FUND  
MINING COMMUNITY DEVELOPMENT SCHEME**

..... (Name of LMC)

AND

..... (Company Name & Address)

.....  
(Date: Month & Year)



## CONTRACT FORM

THIS AGREEMENT made the ..... day of ..... 2020

BETWEEN

*THE MINERALS DEVELOPMENT FUND, acting through the (Name of LMC) of the Mining Community Development Scheme of P. O. BOX (Address of LMC) [hereinafter called "the Purchaser"/Client] which expression shall, where the context so admits include its successors – in – title of the one part.*

AND

*[name of Supplier/Contractor/Consultant] of [Address of Supplier/Contractor/Consultant] (hereinafter called "the Supplier") acting per its Chief Executive Officer, or his/her duly authorized representative, which expression shall, where the context so admits include his/her successors –in-title and assigns, of the other part:*

WHEREAS the Purchaser invited tenders for certain goods, works, services, and ancillary services, viz.,

---

*[brief description of goods and services]*

and has accepted a tender by the *Supplier/Contractor/Consultant* for the supply of those goods, works and services in the sum of *[contract price in words and figures]* (hereinafter called "the Contract Price") which shall expire after 180 days from the date of contract signing.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
  - (a) The Tender Form and the Price Schedule submitted by the Tenderer;
  - (b) The Schedule of Requirements;
  - (c) The Technical Specifications;
  - (d) The General Conditions of Contract;
  - (e) The Special Conditions of Contract;
  - (f) The Purchaser's Notification of Award; and
  - (g) Contract Data Sheet *(to be used only when there are corrections to the original price schedule submitted by the supplier)*

*(h) An Advance Payment of Twenty percent (20%) of the contract sum will be paid to you no later than fourteen (14) days after contract signing upon the submission of Advance Mobilization Guarantee from a reputable bank/ insurance firm to cover the full amount.*

3. In consideration of the payments to be made by the Purchaser to the Supplier a hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with their respective laws the day and year first above written.

On behalf of the Purchaser

Name: (Name of Chairman)

Signature:

Designation: Chairperson

Seal:

Date:

Witnessed By:

Name: (Name of Secretary)

Signature:

Designation: Secretary

Date:

On behalf of the Supplier

Name: (Name of Supplier)

Signature:

Designation:

Seal:

Date:

Witnessed by:

Name:

Signature:

Designation:

Date:

DOCUMENTS DEEMED TO FORM PART OF CONTRACT

1. The Tender Form and the Price Schedule submitted by the Tenderer
2. Schedule of Requirements
3. Technical Specification
4. General Conditions of Contract
5. Special Conditions of Contract
6. Notification of Award
7. Supplier's acceptance letter

*Refer to <https://ppa.gov.gh/online-documents/standard-tender-documents-revised> for revised standard tender documents applicable for various procurement schedules.*



## Annex 6: Purchase Order



**MINERALS DEVELOPMENT FUND**  
**Purchase Order**

	Code	Description
Institution		Government of Ghana
Funding		Minerals Development Fund
Function of Govt		Mining Community Development Scheme
Organization		..... <b>(Name of LMC)</b>
Program		Mineral Resource Management
Sub Program		Mining Community Development
Project		..... <b>(Project Description)</b>
Activity		Provide Health facility for .... Community
Location		..... <b>(Project Location/Community)</b>

Supplier Name \_\_\_\_\_ Activity & Exp Initiation No. \_\_\_\_\_  
 Supplier TIN \_\_\_\_\_ Supplier Pro-forma. Invoice No. \_\_\_\_\_  
 Supplier VAT \_\_\_\_\_  
 Supplier Site \_\_\_\_\_  
 Special Supply Instruction \_\_\_\_\_

Item No.	Item Description	Package Number	Quantity	Unit Price	Amount-GH¢
	<b>Sub Total</b>				
	<b>Grand Total</b>				

Total Amount in words \_\_\_\_\_ GH¢ \_\_\_\_\_  
 This Purchase Order is valid for \_\_\_\_\_ Months

Prepared By: -----  
Authorized By: -----  
Approved By: -----

Sign ----- Date: -----  
Sign ----- Date: -----  
Sign ----- Date: -----

Fund Availability verified by:  
Expenditure Ledger Entered by -----  
Folio -----

Warrant No. -----  
Signed -----

Date -----

Chairman  
Date: ----- Date: -----

1. Government does not accept liability for any order signed by an unauthorized person. Suppliers are therefore advised to satisfy themselves that this order has been signed by the authorized person.
2. A Genuine Order should always be presented in original and duplicate. Suppliers are requested to return the original copy with priced variance.