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Ghana: Mining and Development

The objectives of the project ($9.37 million, 1996-2001) were to (a) enhance the capacity of the mining sector institutions to carry out their functions of encouraging and regulating investments in the mining sector in an environmentally sound manner and (b) support the use of techniques and mechanisms that will improve productivity, financial viability and reduce the environmental impact of small-scale mining operations. It had two components: Strengthening of Mining Sector Institutions, and Assistance to Small-scale Mining Enterprises.

The project took into account lessons learned from three previous operations in Ghana which focused on developing the mining sector: the Export Rehabilitation project, the Export Rehabilitation Technical Assistance project, and the Mining Sector Rehabilitation project.

Impact on the ground

- Assessment of the current mining institutional arrangements was completed with the report “Study of Mining Sector Institutional Arrangements.”
- Promotional activities were carried out to attract investors — these included the preparation of a CD, opening of a website and preparing information on industrial minerals.
- A comprehensive minerals information system was established — this included a cadastral system, the mineral information system and the geological information database.
- Pollution abatement strategies put in place included funding a tailings dam at Tarkwa and rehabilitation and re-vegetation at Dunkwa.
- In order to enable the Mines Department (MD) to monitor and enforce sectoral regulations, extensive training on health and safety were provided to all mines inspectors.
- Airborne geological surveys were carried out to identify priority mining areas with the potential for subsequent promotion.
- The institutional assessment provided the framework to improve the overall operational effectiveness to examine, address and co-ordinate the work of other (Participatory Mining Institutions) PMIs and to conceptualize and oversee the execution of policy.

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The project facilitated the testing of improved equipment and the processing and dissemination of technology. Subsequent to the completion of hard rock central processing at Bolgatanga, single and double trammels on alluvial ores in three different locations were tested; fifteen areas in southern Ghana were evaluated by 4 teams of geologists.

An improved small-scale regulatory framework was set in place. The analysis of the legal framework was completed and it concluded that regulations were needed to deal with the health and safety issues, as well as the environmental impact of small-scale mining.

A study on marketing issues affecting small miners was completed and the basic business training of small miners was carried out. The activity was opened up to the private sector and two firms, one private and one state-owned, now offer marketing services to small-scale mining.

Training was also provided to small miners on the principles of accounting and financial management. Similarly, training was also provided on safety and environmental protection.

Staff from the different sector agencies received training and exposure to the environmental aspects of mining.

Re-vegetation was carried out in all three pilot areas with the participation and involvement of the communities. In one of the sites, food crops were planted in between the tree crops – this initiative is intended to enhance sustainability.

With the demarcation of appropriate sites for mining, the potential for increased land degradation through haphazard clearing as reduced. The introduction of improved processing techniques has also contributed to raising environmental awareness and sensitized the sector to environmentally benign processes.

A Green Communities program was launched by the Minerals Commission with the support of the Bank and the US Environmental Protection Agency and in partnership with the Chamber of Mines. The program included the provision of water, sanitation services and promotion of alternative livelihoods aimed at (a) improving the socio-economic conditions of the communities; (b) reducing the stress on mining concessions though encroachment and artisanal mining activity.

The project has resulted in increased private investment in Ghana and it is expected that, once global metal prices recover to normal levels, this private investment will be a sustainable process.

**Lessons learned**

- If policy issues and restructuring requirements have not been clearly identified and agreed on between the concerned parties, technical assistance is not an optimal instrument to implement sector reform.
- Small-scale mining is a poverty-driven activity and any project designed to address the problems of small-scale miners should, through recognizing this, take an integrated approach which recognizes this initiative as a poverty-reduction effort.
- It is best to recognize up-front that the performance of the project is influenced by that of state agencies, which tend to perform below private sector standards.

_This Infobrief has been excerpted from the project’s Implementation Completion Report No. 24196. For further questions, e-mail maraboli@worldbank.org_