



New mining local content law lacks key detail – NRGi



The Local Content regulations got passed into law in December 2020

The Natural Resource Governance Institute (NRGI) has said the recently passed Local Content and Local Participation regulations for Ghana's mining sector would have been best if it provides further room to detail how to achieve and monitor local content.

The NRGi argues that there is further room for reforms in the new regulations despite the several positive and forward-looking provisions in the regulations.

The Local Content regulations got passed into law in December 2020 as the Minerals and Mining (Local Content and Local Participation) Regulations, 2020 (L.I. 2431).

Speaking during a virtual training of Civil Society Organisations (CSOs) and the media on the newly passed regulations, Policy Advocacy Officer for NRGi Ghana Office, Mr. Nasir Alfa Mohammed said that the regulations did not make provision for a Local Content Committee as obtains in the Petroleum Sector.

He emphasised that a local content committee was one of several proposals CSOs submitted to the Minerals Commission towards the preparation of the regulations.

When you translate what happens in the petroleum sector to the mining sector we thought that the Committee would enhance the work of the Minerals Commission," he said.

Mr. Mohammed further said it was remarkable how the monetary value, in terms of services in the mining sector has jumped from US\$426million in 2018 to about US\$1.4billion in 2019."

A Senior Legal Analyst with NRGi, Ms. Nicola Woodroffe who also spoke during the training was particular about defining what 'local' meant with respect to goods and services and making sure that "there is an emphasis on in-country value addition."

According to her, one of the issues that came up in the assessment of Ghana's previous local content regulations was the distinction between local importing foreign goods which provided less benefits within the country and hardly supported local manufacturing.

In her opinion, it is crucial to ensure preference was given to local companies that are creating direct value addition and not local companies engage in the business of import to service the mining sector.

It will be recalled that in February 2020, the Minerals Commission (MinCom) collaborated with the NRGi to organise a consultative forum for civil society on government's proposal for amendments to the Minerals and Mining Act, 2006 (Act 703) and related sector reform efforts in the mining sector. The reforms included a proposed law dedicated to local content in the mining sector.

The forum was a follow-up to a multi-stakeholder technical session organized by NRGi in October 2019 to obtain updates from the government and build a shared understanding of the government's review plans for Act 703.

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