

Pressure continues to mount on Parliament to pass the Mineral Development Fund (MDF) Bill to prevent the facility, which has existed for decades without a law, from further manipulation. The latest demand is contained in the 2012/2013 Ghana Extractive Industry Transparency Initiative (GHEITI) for the Mining Sector Report, which was launched in Accra on Tuesday.

The Report observes that in the absence of any law emphasizing the objectives of the MDF, the Fund risks deviating from its original purpose while expenditures, which are not strictly mining related, may increase. To this effect: " It is recommended that various stakeholders should organize a forum to address any misunderstanding regarding the use of the Mineral development Fund to put on sound footing and to enable it to achieve the objective for which it was set up," the Report , prepared by Boas and Associates, proposes.

It furthered on: "The delay in passing the MDF Bill is gradually stifling the efficient and effective running of the MDF facility. In the interim, an oversight- agency should be appointed to run the Fund prior to the passing of the Bill to ensure transparency and independence."

The Government of Ghana, in 1993 by an Executive Fiat, established MDF meant to provide funds for communities which host mining operations to undertake development projects to mitigate the effects of mining on the environment and support the operating budget of mining sector institutions and some specific mineral related projects.

The Fund is also to speed up the socio-economic development in the mining communities of the country.

But after several years of existence, the Fund has not been used for the purpose for which it was established. The development has caused civil society groups, including Publish What You Pay- Ghana (PWYP-Ghana), a civil society group that advocates for financial transparency in the industry, to call for a legislation to back the Fund in order to avert misappropriation.

Ghana's representative of PWYP Africa Steering Committee, Dr, Steve Manteaw, argued in a recent interview with Public Agenda that: "without legislative backing, the MDF is open to abuse and all manner of manipulations such as its treatment like a transit accounts for financing programmes and activities that are not necessarily in line with the national interest."

Dr. Manteaw said once the law become operational, the risk of potential abuse would naturally diminish. He called on Parliament to expedite action on the passage of the Bill.

*Source: Public Agenda*