

DO GHANA'S MINING LAWS PROVIDE FOR COOPERATIVE MINING?



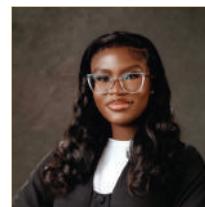
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Introduction

Ghana is a leading player in global mining, the largest gold producer in Africa¹ and among the world's top ten, with mineral resources long central to its economy. Its mining sector is governed by a legal framework that has evolved since independence, most recently anchored in the Minerals and Mining Act, 2006 (Act 703) as amended by Minerals and Mining (Amendment) Act, 2015 (Act 900) and Minerals and Mining Act, 2019 (Act 995). Mineral exploration and exploitation nationwide are regulated by Act 703 and its accompanying regulations such as the minerals and Mining (General) Regulations, 2012 (L.I. 2173), Minerals and Mining (Licensing) Regulations, 2012 (L.I. 2176) and other regulations that deal with compensation and resettlement, support services, explosives, health and safety, ground rent, tracking of earth moving and mining equipment, local content and local participation.

A key, practical question that industry players require an answer to, is whether Ghana's laws recognize cooperative mining; allowing formally organized cooperative societies to obtain mineral rights. This issue is essential for the formalization of artisanal and small-scale mining (ASM), including socioeconomic inclusion of local communities. In the long run, it also complements efforts to curb illegal mining (galamsey).

The article examines Act 703, the Co-operative Societies Act, 1968 (NLCD 252), and related policy frameworks to determine the extent to which existing laws support cooperative mining, identify remaining legal and institutional gaps, and propose reforms to strengthen the

regulation and operation of cooperative mining in Ghana.

The Framework for Small-Scale Mining Under Act 703

Historical practice dating as far back as 2000 years ago supports this reading. Contextual evidence from Ghana's ASM sector shows that cooperative structures have operated informally in small-scale mining for decades. Gavin Hilson's foundational review of the Ghanaian small-scale mining industry documents that small-scale miners are commonly known as organized groups and cooperatives, with profit-sharing arrangements between group leaders and workers, particularly in alluvial gold and diamond operations². The Small-Scale Mining Project launched in 1989 also contemplated the involvement of organized mining groups within the formal licensing framework, even if the legislative infrastructure to support them was underdeveloped³.

Act 703 defines small-scale mining as mining operations over an area of land in accordance with the number of blocks prescribed⁴. This approach has been criticized as a narrow approach for ignoring the socioeconomic reality of artisanal, low-capital local operations. Despite that limitation, the small-scale framework is the most plausible legal home for cooperative mining.

Act 703 sets out the eligibility requirements for obtaining a small-scale mining licence⁵. The provision is framed in terms of individual attributes, namely Ghanaian citizenship and attainment of age of majority (at least 18 years). Once that person satisfies the individual requirements, he or she is required to register with the District Office of the

¹ International Trade Administration, "Ghana Mining Gold Rush" (6 October 2025) <<https://www.trade.gov/market-intelligence/ghana-mining-gold-rush>> accessed 20 May 2026.

² Gavin Hilson, "A Contextual Review of the Ghanaian Small-scale Mining Industry" (2001) <<https://www.delvedatabase.org/uploads/resources/A-Contextual-Review-of-the-Ghanaian-Small-scale-Mining-Industry.pdf>> accessed... 26 May 2026.

³Ibid.

⁴Section 111 of the Minerals and Mining Act 2006 (Act 703).

⁵Ibid s 83.

Minerals Commission in the area designated by the Minerals Commission for mining operations⁶.

This individualized formulation immediately raises a legal question as to whether cooperative societies which are recognized as distinct legal persons under Ghanaian law, can satisfy these statutory requirements and consequently qualify to hold small-scale mining licenses.

A critical provision overlooked in much of the commentary is section 85 of Act 703, which addresses the duration of licences. Section 85(a)⁷ expressly provides that a licence granted under section 82(1) to "a person, a group of persons, a co-operative society or a company" shall be for a period of not more than five years from the date of issue and may, upon expiry, be renewed for a further period as the Minister may determine. This is significant: section 85 is the only provision in Act 703 that explicitly identifies cooperative societies as a category of licence holder.

At a minimum, it confirms that cooperative societies are legally capable of holding small-scale mining licences under Act 703, even though the statute provides no further guidance on how applications by cooperatives should be processed, evaluated, or governed after a licence has been granted.

The Legal Architecture of Cooperative Societies in Ghana

The regulation of cooperative societies in Ghana is primarily governed by the **Co-operative Societies Act, 1968 (National Liberation Council Decree 252, NLCD 252)**.

Under NLCD 252, any society whose object is the promotion of the economic interests of its members in accordance with cooperative principles may be registered as a cooperative society, with or without limited liability⁸. Cooperative societies in Ghana span a range of economic activities, including agricultural, financial (credit unions), industrial, and service cooperatives and are governed



⁶Ibid s 83(c) and 90.

⁷Ibid s 85(a).

⁸Co-Operative Societies Act, 1968 (N.L.C.D. 252), s 2.

by principles of voluntary and open membership, democratic member control, and mutual economic benefit.

Upon registration, a cooperative society acquires legal personality and becomes capable of suing and being sued in its own name, holding property, and entering into contracts⁹. An industrial cooperative, the category most analogous to a mining cooperative, is one involved in productive activity by members. A mining cooperative would therefore fall within this broad category, as a society of Ghanaian citizens pooling resources and labour for the collective purpose of mineral extraction.

Given that NLCD 252 confers legal personality on a registered cooperative and given that section 85 of Act 703 acknowledges cooperative societies as licence holders, the legal foundation for cooperative mining exists, even if rudimentary.

A question arises, however, as to the relationship between cooperative legal personality and the individual citizenship and age requirements imposed by section 83 of Act 703. Section 83 directs its eligibility requirements at the applicant for the licence. A cooperative society, as a body corporate with its own legal personality, is distinct from its individual members. It is therefore unclear, on the face of the statute, whether the citizenship requirement is satisfied by the society itself (whether by reference to its members or officers) or whether section 83 simply does not contemplate a corporate applicant. This ambiguity is further compounded by the principle of open membership, embodied in NLCD 252, pursuant to which cooperative membership, may, in principle, be open to non-Ghanaian citizens, thereby creating a potential inconsistency with the

citizenship requirement prescribed under section 83 of Act 703.

Licensing and Regulation of Cooperatives for Mining Purposes

A very important aspect of the legal regime of cooperative mining is the licensing system that clothes cooperatives with the capacity to extract minerals in Ghana. As earlier indicated, cooperative mining is reserved for only Ghanaian citizens who have attained the age of majority. The qualified categories of persons for licensing also include partnerships, companies and cooperatives that are based in the relevant communities that the Minerals Commission designates for mining operations.

Other requirements include the submission of business registration documents, SSNIT certification, insurance cover for staff, all required permits from Water Resource Commission and Environmental Protection Agency, and the demonstration of capacity to invest at least One Hundred Thousand Ghana Cedis (GHS 100,000.00)¹⁰.

It must also be noted that cooperative mining is accommodated under the tributer system. In accordance with Regulation 560 of the Minerals and Mining (Health, Safety and Technical Regulations) 2012 (L. I. 2182), a tributer is a person who is employed or contracted to win minerals by the holder of a mineral right, being a person who is allocated a working area by the Holder of a mineral right and who receives in return remuneration in accordance with the quality and quantity of the minerals won.

In this regard, the operators are required to register under the Cooperative scheme and sign unto the code of prac-

⁹Ibid s 6.

¹⁰Minerals Commission, Small Scale and Community mining Operational Manual, September 2021.



tice developed by the Minerals Commission for Small Scale Mining, in addition to the basic requirements aforementioned¹¹.

Having registered, the law allows the Minerals Commission to establish small scale mining committees within designate areas for mining, which committee is responsible for assisting the District Office of the Commission to monitor, promote and develop mining operations within that area.

Gaps, Ambiguities, and Legislative Deficiencies

Ghana’s mining laws does not have a dedicated cooperative-mining regime. Act 703 is silent on the practical modalities for cooperative applicants, including application procedures; how the individual-focused eligibility criteria in section 83 (citizenship and age) apply to a cooperative society; internal governance and dispute resolution requirements; and

rules governing profit distribution among members.

Although section 85 of Act 703 recognizes cooperative societies as licence holders and section 82(1) permits applications from groups of persons, neither provision provides a practical guidance on the cooperative-specific requirements that must be met.

The statute also fails to define “cooperative mining” or to tie the small-scale category to the socioeconomic realities of artisanal operations, instead using a purely spatial definition (prescribed blocks). The statute’s purely spatial definition of small-scale mining (prescribed blocks) also fails to account for the socioeconomic characteristics of artisanal operations.

As Hilson¹² observes, the rigidity of the area-based definition, combined with the burdensome and largely voluntary registration process ; which required

¹¹ Minerals and Mining (Health, Safety and Technical Regulations) 2012 (L. I. 2182) ,regs 493 – 506.

¹² Hilson (n2).

completion of multiple forms, endorsement by district administration, and submission of an environmental impact assessment — deterred many potential cooperative applicants from seeking formal licenses.

Given that cooperative membership is inherently dynamic, with members able to join, resign, or be expelled, the absence of any cooperative-specific provision addressing this issue creates a significant legal risk for mining cooperatives.

The broader institutional and support framework for small-scale mining has historically been weak. Hilson documents how the four institutional pillars of the 1989 Small-Scale Mining Project; the Geological Survey, Mines Department, Minerals Commission, and the Precious Minerals Marketing Corporation (PMMC) progressively consolidated all small-scale mining functions within the Minerals Commission alone, which lacked the capacity to discharge them effectively. Equipment loan schemes were poorly designed, priced beyond miners' reach, and ultimately abandoned¹³. Without adequate institutional support, cooperative mining groups have faced practical obstacles that compound their legal vulnerability.

NLCD 252 itself is a further source of weakness. The Decree is archaic and fails to create an enabling environment for cooperatives to function as effective productive entities. It contains no provisions specific to cooperatives engaged in natural resource extraction. Its governance framework was developed primarily with agricultural and credit cooperatives in mind and is therefore poorly suited to the operational realities of mining.

Policy Developments and the rCOMS-DEP Initiative

In response to the persistent challenge of illegal galamsey, the Minerals Commission introduced the Community Mining Scheme (CMS) as a policy initiative aimed at promoting the involvement of local communities in formal small-scale mining¹⁴. The CMS sought to create a structured arrangement under which designated communities could participate in small-scale mining within defined areas, with the objective of stimulating job creation and improving the quality of life in mining communities. The scheme, however, suffered from poor management and failed to achieve its stated objectives at scale¹⁵.

The cooperative model, notwithstanding the legislative gaps identified above, had already demonstrated practical viability in the Ghanaian context before the CMS was introduced. Hilson's 2001 review documents the case of Abooso Goldfields Ltd, which organized galamsey groups operating on its concession into registered small-scale mining cooperatives, issued them with company identification cards, and arranged purchasing services on site, a de facto cooperative mining arrangement that operated outside any dedicated statutory framework¹⁶.

Similarly, Gold Fields Ghana Ltd established the 'Small-Scale Mining Society', a cooperative of some 1,500 workers to work a suspended underground operation in Tarkwa, demonstrating that cooperative structures could reduce tensions between small and large-scale miners when properly organized¹⁷.

¹³Ibid.

¹⁴George Ofosu & Francis Arthur-Holmes, "Transforming Ghana's ASM industry: The intersection of 'mining schemes and stakeholder collaboration'" (2025) <<https://www.elsevier.com/locate/resourpol>> accessed 19 May 2026.

¹⁵Samuel Doe Ablordeppey, "Govt suspends Community Mining Scheme - Cites similarities to illegal mining", (26 March 2025) <<https://www.graphic.com.gh/news/general-news/ghana-news-govt-suspends-community-mining-scheme-cites-similarities-to-illegal-mining.html>> accessed 26 May 2026.

¹⁶Hilson (n2).

¹⁷Ibid.

In August 2025, the Minister for Lands and Natural Resources, Emmanuel Armah-Kofi Buah, launched the Responsible Cooperative Mining and Skills Development Programme (rCOMSDEP) described as Ghana's most significant reform initiative for the artisanal and small-scale mining sector. rCOMSDEP was formally launched on 6th August 2025 at Obuasi in the Ashanti Region and expressly replaces both the Community Mining Scheme and the National Alternative Employment and Livelihood Programme (NAELP)¹⁸.

rCOMSDEP is explicitly built on a cooperative model: it organizes artisanal miners into cooperatives, provides skills development support, and integrates cooperative mining groups within the formal licensing framework under Act 703. The programme aims to guide artisanal miners toward responsible and mercury-free mining practices, supported by training, equipment provision, and environmental rehabilitation.

The launch of rCOMSDEP represents the most significant policy articulation of cooperative mining in Ghana's history. It signals the government's recognition that the cooperative model is not only legally accommodated under Act 703 but is, in fact, the preferred vehicle for the formalization of artisanal and small-scale mining. It does not, however, resolve the legislative deficiencies identified above; its success will ultimately depend on whether Act 703 and NLCD 252 are amended to provide a coherent, practicable statutory framework.

Recommendations

In light of the foregoing analysis, the following legislative and policy reforms are recommended:

a. Act 703 should be amended to include a dedicated Part governing

cooperative mining. This Part should define "mining cooperative society," prescribe the eligibility criteria for cooperative societies applying for small-scale mining licences (including a minimum percentage of Ghanaian citizen membership), and set out the governance requirements for mining cooperatives, including democratic decision-making and transparent profit-distribution arrangements.

b. The citizenship requirement under Section 83 of Act 703 should be clarified by regulation to specify that a cooperative society is eligible for a small-scale mining licence provided that all its members are citizens of Ghana, and that any change in membership shall be notified to the Minerals Commission within a prescribed period.

c. The transfers restrictions under section 88 of Act 703 should be amended to address the cooperative context expressly, clarifying that a change in the membership composition of a mining cooperative does not, of itself, constitute a transfer of the licence, provided that the minimum citizenship requirements continue to be satisfied.

d. NLCD 252 as the Co-operative Societies Act should be comprehensively reformed. The existing decree is archaic and does not create an enabling environment for cooperatives to function as effective private-sector entities. A new Cooperative Societies Act should reduce regulatory overreach, strengthen financial and managerial governance requirements, and include specific provisions applicable to production and industrial cooperatives engaged in natural resource extraction.

e. The Minerals Commission should, as part of the rCOMSDEP implementation framework, develop specific guidelines

¹⁸Abubakar Ibrahim, "Galamsey Fight: Lands Minister launches rCOMSDEP to reform small-scale mining, create jobs" (6 August 2025) <<https://www.myjoyonline.com/galamsey-fight-lands-minis-ter-launches-rcomsdep-to-reform-small-scale-mining-create-jobs/>> accessed 26 May 2026.

and a dedicated application pathway for mining cooperatives, including simplified licensing procedures, reduced fees, and technical assistance for cooperative formation.

Conclusion

Ghana's mining law does, in principle, allow cooperative mining. Section 85(a) of Act 703 explicitly lists 'a cooperative society' among the categories of entities that may hold small-scale mining licences, and NLCD 252 gives registered cooperatives separate legal personality. Together, these provisions create a basic legal foundation enabling cooperatives to hold and operate small-scale mining licences; a foundation reinforced by decades of informal cooperative practice in Ghana's ASM sector that predates any formal statutory recognition.

Significant gaps remain, however. The framework lacks a dedicated cooperative-mining regime and leaves unresolved how the citizenship and age requirements of section 83 apply at the cooperative level, how membership changes affect licence transfer rules, and how cooperative governance, dispute resolution, and profit distribution should be regulated.

The rCOMSDEP initiative signals political will to promote cooperatives for ASM formalization, but lasting success will require targeted legislative reform to transform the cooperative model from a peripheral statutory mention into a comprehensive, practicable regime.