

Protecting Community Rights in Ghana's Lithium Sector

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Summary

This policy brief examines governance challenges in Ghana's expanding mining sector, through a case study of the Ewoyaa Lithium Project. Drawing on primary data from 12 semi-structured interviews and 3 focus group discussions conducted in 2024, alongside document analysis, significant failures in protecting community rights and livelihoods have been identified. The findings reveal three critical issues: (1) systematic non-enforcement of mining legislations and policies, (2) unfair compensation schemes enabled by legal ambiguities, and (3)

community dispossession (ie the act of taking property, land, or natural resources away from a community or group of people) through legislative gaps between lease issuance and parliamentary ratification. The research demonstrates how these issues are enabled by governance shortcomings, thereby disproportionately benefiting mining companies whilst damaging local communities' economic stability. These shortcomings can be mitigated via the following policy recommendations contained in this Policy Brief.

Key Messages

- Establish accessible, district-level dispute resolution centres, the composition of which should be discussed with the wider locality.
- Land moratoriums should only be imposed after parliamentary ratification of mining leases.
- Require provision of alternative agricultural land before imposing moratoriums.
- Establish legally binding frameworks for transitional livelihood support and Free Prior Informed Consent (FPIC) principles.



IMAGE: SHUTTERSTOCK

The Ewoyaa lithium project

Introduction

The exploitation and abuse of indigenous rights in the extractive sector is well documented in both academic literature and policy documents [1–4]. At the heart of these injustices are the asymmetrical power dynamics that exist between indigenous people and mining companies [5]. As global demand surges for critical minerals—predominantly found on indigenous territories [6]—to fuel the green energy transition and transport decarbonisation, these communities face heightened risks of further marginalisation. As Africa's leading gold producer [7], Ghana has

also struggled with ensuring equitable mining practices. This policy brief examines governance challenges, and it proposes reforms necessary to protect community rights throughout critical mineral prospecting, exploration, and extraction, drawing insights from Ghana's Ewoyaa Lithium Project—the country's first lithium producing mine (**Figure 1**). In October 2023, Barari DV limited, a subsidiary of Atlantic Lithium was granted a Mining Lease by the Government of Ghana to extract 3.6Mt spodumene concentrate, a mineral containing lithium, over 12 years. The mining lease covers 509km² land [8].

Figure 1: Ewoyaa Lithium Project.



Source: Atlantic Lithium.

Methodology

To help gain in-depth insights into the governance of Ghana's first lithium discovery, 12 semi-structured interviews were conducted in September and October 2024. These interviews covered actors within the country's Minerals Commission, Civil Society Organisations (CSOs),

academics, and traditional authorities. Three focus group discussions, with 36 participants, were also held in the communities where the lithium has been discovered. The interviews and focus group discussions were triangulated with a wide range of documents, including, newspaper

articles, policy documents, press statements, and legislations. The data collected were thematically analysed to: (1) identify critical issues, (2) understand policy gaps, and (3) develop policy recommendations. Our analysis reveals significant governance failures at the local level, namely:

- Weak enforcement of regulations
- Institutional weaknesses
- Exploitative compensation practices
- Community dispossession of livelihoods.

These findings are discussed in more detail below.

Findings

Regulatory Non-enforcement and Institutional Weaknesses

Ghana's mining sector operates within a framework of international protocols, most notably the Free Prior Informed Consent (FPIC) [9], which explicitly mandates the participation, consultation, and consent of indigenous peoples before any mining activity commences. This requirement is further reinforced by domestic legislation, particularly the Minerals and Mining Compensation Resettlement Regulations 2012 (L.I. 2175) [10], which outlines procedures for informing and consulting affected populations.

However, this research reveals widespread weak compliance with these legal requirements, where community consultation processes have been disregarded by mining companies. Most community members reported having no prior knowledge of prospecting activities¹ until they discovered mining personnel already on their land. One community leader remarked: *“Their [mining companies] community entry was flawed... They were entering people's farms and destroying their produce whilst the people remained completely unaware of what was transpiring... By the time these issues were addressed, the communities had already suffered significant losses”* (Focus group discussion, October 2024).

The prospecting stage of lithium mining has been characterised by disregard for community consent, directly contravening legal requirements. Whilst traditional authorities maintain that the company informed them of the mining activities [11], the dissemination of information was inadequate, resulting in widespread destruction of community livelihoods (focus group discussions, October 2024; interview with mining CSO actor, September 2024).

Exploitation Through Discretionary Compensation Schemes

Best practices in the mining sector emphasise fair and adequate compensation for affected communities. Ghana's Minerals and Mining Act of 2006 [12] requires companies to compensate for social, environmental, and economic impacts on communities living within mining areas. In spite of the mandate to provide compensation, the ambiguous framing of these laws, combined with inaccessible dispute resolution mechanisms for when communities do not think they have received proportionate compensation, has created power imbalances between mining companies and community members.

The Minerals and Mining Act of 2006 [12] also mandates compensation in accordance with guidelines later established in the 2012

¹ Prospecting is the process of searching for a mineral deposit, via direct observation or geophysical techniques.

Regulations. However, these findings reveal breaches of compensatory mechanisms during the lithium prospecting stage. These breaches included non-payment of commensurable compensations, and in some cases, total non-payment (focus group discussions, October 2024). This weak compliance was enabled by communities' limited understanding of mining laws. Many community members mistakenly believed compensation requirements only applied to mining leases,² **not** prospecting activities (focus group discussions, October 2024), creating a loophole for exploitation.

Consequently, compensation has been arbitrarily determined by mining companies, generating community grievances (focus group discussions, October 2024). Some affected individuals received no compensation whatsoever, whilst others reported selective compensation practices. As said by one community member, *“They [mining companies] compensated for cheaper produce whilst ignoring more valuable crops”* (Interview October 2024), leading to unfair compensation.

The power asymmetry has allowed mining companies to unilaterally dictate compensation terms during prospecting. Although legal recourse exists for unfair compensation,³ most community members lack the knowledge and financial resources to challenge corporate decisions. A community member explained: *“We were told to report to the District Chief Executive, then the Member of Parliament, and finally the Minerals Commission in Accra if unsatisfied. But who has the resources to pursue such a lengthy process? The company invariably gets its way”* (Interview, October 2024).

Mining Lease Ratification Gap and Community Dispossession

Extensive research documents mining-induced displacement and livelihood losses [1, 2, 4].

In Ghana, these issues are compounded by ambiguities in mining lease legislation. Section 46 of the 2006 Minerals and Mining Act empowers lease-holding companies to take control of the mining area and restrict other non-mining land uses:

“Subject to this Act and Regulations made under this Act, a mining lease authorizes the holder, the holder's agents and employees and a person authorized by the holder, in accordance with this Act, to enter upon the land the subject of the mining lease, to

- (a) conduct mineral operations including, without limitation, to mine for the specified minerals of the mining lease,
- (b) erect equipment, plant and buildings for the purposes of mining, transporting, dressing, treating, smelting or refining the specified minerals recovered by the holder during the mining operations,
- (c) take and remove from the land the specified minerals and dispose of them in accordance with the holder's approved marketing plan,
- (d) stack or dump a mineral or waste product as approved in the holder's Environmental Impact Statement, and
- (e) conduct other incidental or ancillary activity.” [12]

However, Art. 268 of the Constitution (1992) requires parliamentary ratification⁴ of mining leases, theoretically preventing mining operations until approval is secured [13].

² A mining lease is a contract that allows someone to use and occupy a piece of land to explore and extract minerals for a specified period of time in return for a rent.

³ For instance, section 73 of the Minerals and Mining Act of 2006 (Act 703) outlines processes of challenging unfair compensation [12].

⁴ Parliamentary ratification is the process whereby a legislative body approves an agreement, treaty, or decision to enhance its legality and legitimacy.

This legislative gap has disadvantaged local populations in lithium mining areas. Following the October 2023 Ewoyaa Project mining lease issuance, the company, on 4 December 2023, imposed immediate moratoriums on farming activities, *despite* pending parliamentary ratification. Whilst compensation discussions continue, communities have been effectively dispossessed of their primary livelihood source without a viable alternative.

The impact has been particularly severe for communities dependent on cash crops. Although companies have permitted annual crop cultivation, this represents a fraction of previous income levels. An affected farmer articulated this crisis:

“The government gave us several plants, like coconut, palm nuts and trees to plant. Other annual crops are also inclusive. Our livelihoods and that of our children are dependent on these crops. However, till date, we have not been given an alternative land where we can start planting these stuff... Although they have allowed annual crops but those are not properties. They don't really yield any proper income. It is these cash crops, palm nut, cocoa nut and other trees that are more profitable but we are not planting them. Those maize and cassava are just hand-to-mouth crops...” (Interview, October 2024).

Conclusion

Ghana's mining laws, as applied in the Ewoyaa Lithium Project, fail to protect community rights and livelihoods. The combination of weak enforcement mechanisms, exploitative

compensation practices, and legislative gaps has created a crisis of community dispossession. The current framework favours mining companies whilst undermining local populations' economic stability and social rights.

These findings point to the need for Ghana to reform its mining legislation and regulatory framework to safeguard community rights and ensure social justice. As the nation positions itself to capitalise on its strategic reserves of transition minerals, it is imperative to address the weaknesses that have historically undermined community interests in mining regions. In this regard, the following reforms are suggested based on the findings of this brief:

- Establish accessible district-level dispute resolution centres, the composition of which should be discussed with the wider locality. Such reform will strengthen the dispute resolution mechanisms, mitigating the asymmetrical power that exists between local communities and mining companies.
- Land moratoriums should only be imposed after parliamentary ratification of mining leases, ultimately insulating community members from the dispossessions that may come with delays in parliamentary ratification.
- Require provision of alternative agricultural land before imposing moratoriums to further enhance the economic statuses of the community members.
- Create legal and clear obligations for transitional livelihood support and Free Prior Informed Consent (FPIC) principles to avoid arbitrary compensation and negotiation schemes.

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Acknowledgements

This material has been produced with support from the Climate Compatible Growth (CCG) programme, which brings together leading research organisations and is led out of the STEER centre, Loughborough University. CCG is funded by UK aid from the UK government. However, the views expressed herein do not necessarily reflect the UK government's official policies.

Recommended Citation

Arhin, G. E. (2025). Protecting Community Rights in Ghana's Lithium Sector. Climate Compatible Growth programme Policy Brief Series.