3rd February 2026

IEA Press Release

IEA Rejects Lands and Natural Resources Minister's Proposed Sliding-Scale Mineral Royalty Regime and Calls for a New Mining Policy Anchored on National Ownership

The Institute of Economic Affairs (IEA) has noted with deep concern the provisions contained in the draft Minerals and Mining (Royalty) Regulations 2025 currently before Parliament. The said regulations maintain the colonial royalty-based regime with either a **graduating scale** or a **capped** system of royalties for all minerals as follows:

Mineral	Royalty Applicable
Gold and Lithium	5% - 12%
Diamond, Bauxite or Manganese, Salt, Industrial Mineral, Limestone and Iron Ore	5.0%

The IEA is further troubled by a *Reuters* publication dated **15 January 2026**, in which the Acting CEO of the Minerals Commission, Mr. Isaac Tandoh, under the leadership of the Ministry of Lands and Natural Resources, stated that a draft bill is under consideration to introduce a **9%–12% sliding-scale royalty regime** across the mining sector. We find the Ministry's positions very confounding and contradictory to President Mahama's position on natural resources.

The President in his Keynote Address to open the **National Economic Dialogue** on March 3, 2025, openly agreed with former Chief Justice of Ghana and Distinguished Scholar at the IEA, Madam Sophia Akuffo when he said:

Recently, the former Chief Justice asked for a review of agreements governing our extractive industries. She describes the current agreements as coming from the Guggisberg era. I agree with her. There must be increased indigenous participation in exploitation of our natural

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resources. Ghana must earn more from its natural resource endowment if we are to create wealth and prosperity for our people.

Six months later, the President in his speech at **the 80th Session of the United Nations General Assembly** once again reiterated his position on natural resources in very clear terms:

In this era of global uncertainty, Africa must exercise sovereignty over its natural resources to raise the necessary funds to ensure the well-being of its citizens. The days of parceling out vast concession areas to foreign interests for exploitation must come to an end. We will continue to welcome foreign investment, but we must negotiate better for a bigger share of the natural resources that belong to us. We are tired of the continued image of poverty-stricken, disease-ridden rural communities, living at the periphery of huge foreign-controlled natural resource concession areas. We are tired of having people extract the most they can from us and, in return, offer us the very least by way of respect, consideration, and dignity.

A few weeks ago, on January 22, 2026, when addressing global political and business leaders at the World Economic Forum in Davos on, President Mahama said "***we supply the world's critical minerals but capture almost none of the value. This isn't sovereignty. It is a trap. And it is getting worse***."

For us at the IEA, the President's position demonstrates a clear presidential commitment to reforming the mining sector for the good of Ghana. He later asked, ***"what if we exercised more sovereignty over our natural resources to create prosperity for our people".*** Whereas the President has moved on, the Minister of Lands and Natural Resources is still propagating the old colonial royalty-based paradigm. The Minister's position, therefore, illustrates the dilemma of a confused nation shackled with the same old colonial mindset. The President is ahead of his Ministers!

The IEA supports the President's position: **Ghana must have full ownership of its natural and mineral resources; and must exercise this ownership right by engaging private sector local and foreign expertise strictly through service contracts that preserve national control and maximize benefits for the country's industrial transformation**. This idea is not new. Countries such as Norway, Botswana, Chile, and lately Burkina Faso, Niger and Mali and several OPEC countries have followed this path and halted the spread of poverty in their countries. Despite all these recent changes that have halted poverty in these countries some of our political leaders are still caught up in the old colonial paradigm and continue to rely on outdated royalty structures that export our wealth and keep us poor.

National ownership and effective management of Ghana's resources would yield financial, economic, and national security dividends far exceeding any royalty percentage offered under the old foreign-dominated arrangements. Ownership creates opportunities for value addition, increased revenues, and expanded foreign exchange inflows. Furthermore, ownership ensures secondary benefits, including job creation, technology transfer, community development, and long-term structural transformation of a nation.

Ghana's natural resources are sovereign assets held in trust for the people. This principle is firmly grounded in the **1992 Constitution**, as well as in international instruments including **UN General Assembly Resolution 1803 (1962)** on Permanent Sovereignty over Natural Resources, **UNGA Resolution 3281 (1974)**, and the **African Charter on Human and Peoples' Rights**. Therefore, any arrangement that transfers ownership to someone else under the guise of attracting investments ought to be considered unlawful.

Across Africa, there is growing recognition that foreign corporations and international institutions have long exploited the continent's resource wealth under the guise of investment and development assistance. This discredited system has disproportionately benefited external interests while impoverishing African populations. The era of financial colonialism must come to an end. The IEA's proposed ownership and revenue restructuring model present Ghana with a historic opportunity to reclaim sovereignty and redirect resource wealth toward national development and prosperity for the Ghanaian. In doing so, it gives practical expression to President Mahama's vision as articulated on various platforms.

Therefore, in the years ahead, the expiration of multiple mining leases presents Ghana with a rare and strategic opportunity to break the mould and implement this new ownership model without breaching existing contractual obligations. We urge the Government not to renew expiring leases, but instead to pursue a new trajectory anchored in **state ownership and the use of service contracts**.

The IEA also rejects assertions that Ghana lacks the technical capacity, capital, or expertise to manage its resources. Ghana boasts a cadre of experienced mining professionals, many with decades of operational leadership. Indeed, currently, the management of most large-scale mining operations is already Ghanaian, and substantial mining activity is undertaken by Ghanaian-owned firms such as **Engineers and Planners** and **Rocksure International** on behalf of the foreign mining companies. Technology is not an innate advantage; it can be purchased, leased, or acquired through partnerships – just as foreign corporations routinely do. Moreover, Ghana's natural resources themselves provide viable collateral for financing from the global market. In fact, this is a strategy long employed by foreign firms, including in the **Ewoyaa lithium project**. What is required are institutional reforms, resource-backed financing mechanisms, and strategic investment by us. Ghana possesses the knowledge, expertise, and means to reclaim control of its natural resources. **What has been lacking is the political will to act decisively.**

Ghana's current royalty regime is both inequitable and short-sighted, delivering only a fraction of the potential value embedded in its natural resource endowment. By contrast, countries such as **Norway, Botswana, Namibia, Burkina Faso, Mali and Niger** have adopted robust fiscal frameworks that secure a dominant share of natural resource rents for their citizens. Norway's strong state participation has enabled the country to build one of the world's largest sovereign wealth funds (i.e., US$ 2 trillion). The contrast is stark: while some resource-rich nations have leveraged strong governance regimes to transform their economies, Ghana continues to rely on outdated royalty structures that export wealth and foreclose development opportunities. In conclusion, is this how Dubai and other countries have successfully operated their natural resources? What are the best practices now prevailing?

Conclusion

The IEA maintains that Ghana's prevailing royalty-based model for natural resource governance is unacceptable and must be replaced with modern frameworks that ensure **full national**

ownership for the good of Ghana. After 17 visits to the IMF for financial bailouts despite our enormous natural and mineral resources, Ghana must abandon the colonial course of giving away ownership rights to foreign companies and to take ownership of our natural resources and contract the private sector to mine on the country's behalf. The IEA, therefore, unequivocally rejects the Minister's proposed truncated-sliding-scale, still based on the old royalty system, and supports the President's position as espoused at the UN, the National Economic Dialogue and recently at the World Economic Forum at Davos.

… ***"What if we exercised more sovereignty over our natural resources to create prosperity for our people" ...***