


Sharing revenues between local communities



The discovery of a resource to be tapped from the soil always arouses the feeling among local communities that they stand to gain everything. To fend off the possibility of conflict, Governments at various levels must draft clear guidelines on equitable sharing of benefits and wealth between the central administration, local authorities and local communities... Many countries in Asia and Latin America apply such income sharing arrangements, which are much less common in Africa. In Ghana, the **Mineral Development Fund** established in 1993, affords a framework whereby a share of the mining royalties paid to the central administration is distributed to local communities... Since 2001, Sierra Leone established the **Diamond Area Community Fund** wherein is paid 25 percent of an amount equivalent to 3 percent of export duties on traditional diamonds, which amount is then used to develop the communities tapping the diamonds.

