

NEWMONT GHANA GOLD LTD - AHAFO SOUTH PROJECT
INDEPENDENT EXTERNAL SOCIAL COMPLIANCE MONITORING
6th REVIEW – July 2007

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1 INTRODUCTION

1.1 GENERAL SCOPE OF THE EXTERNAL COMPLIANCE MONITORING

The Ahafo South Gold Mining Project (“the Project”) entails significant displacement and more broadly social impacts on the neighboring communities. The implementation of the Project by Newmont Ghana Gold Ltd (NGGL, “the Company”) has been on-going since April 2004. Compensation and resettlement activities have cleared for mining an area roughly 3,000 hectares in surface. Construction in this area of the mine and plant is complete, and both are currently in operation. First gold was produced in July 2006.

NGGL and the International Finance Corporation, which is a lender for this Project, have jointly committed to undertake an independent review of the social compliance and performance of the Project, and to disclose its results publicly. The reviews are undertaken by Ms. Tasneem Salam, independent social development specialist, and Mr. Frederic Giovannetti, independent resettlement specialist.

This is the sixth review; the previous five were undertaken in July 2005, December 2005, May 2006, September 2006 and January 2007. The reports of these reviews are publicly available at www.newmont.com.

These reviews are undertaken based on Terms of Reference (ToRs) jointly prepared by NGGL and the International Finance Corporation (IFC), which initially (the first two reviews) focused solely on resettlement and compensation, and were then broadened to encompass social compliance in general, including, but not limited to, resettlement and compensation, as follows:

- Resettlement Action Plan implementation and performance,
- Community consultation presented in the Public Consultation and Disclosure Plan (PCDP),
- Community development,
- Grievance system management and effectiveness,
- IFC social policies and guidance,
- Social Action Plan (SAP from the ESIA).

The Terms of Reference for the external monitoring exercise (including other aspects such as environment and public health, which are not addressed in this report) are also publicly available at www.newmont.com.

1.2 FOCUS OF THIS REVIEW

This 6th review was undertaken by the two team members from July 12 to July 18, 2007. A close-out meeting was held with NGGL’s field team on July 17, and a debriefing took place at NGGL’s Accra office on July 18, with NGGL and IFC representatives in attendance.

While NGGL has continued implementing the different programs described in the previous reports, more focus is now put on new activities such as the SME Linkages Program, a joint initiative of NGGL and the IFC, the AAGI (Ahafo Agribusiness Growth Initiative), and the “Social Responsibility Agreement” which was being finalized for signature by all parties at the time of the July review.

In addition to these new activities, the July review has also focused on:

- Monitoring livelihood restoration programs, particularly the AILAP - Agricultural Improvement and Land Access Program, and the LEEP - Livelihood Enhancement and Community Empowerment Program,
- Monitoring the Vulnerable People Program,
- Monitoring non-resettlement related community issues, such as impacts of the activities on non resettled communities near the mine take area, and general community engagement strategies,
- Checking on the status of earlier recommendations.

The reviewers' activities during their stay in Ghana included the following (see detailed activity log in Appendix):

- Visits to both resettlement sites of Kenyasi (OLA) and Ntotroso and chance interviews at the sites,
- Visits to the towns of Kenyasi 2 and Ntotroso,
- Visit around the Water Storage Facility in areas neighboring the mine land take, and consultation with residents of this area as well as community patrollers,
- Visits to groups of farmers involved in seedling production for AILAP,
- Visits to groups of people involved in different income generating activities sponsored by LEEP,
- 9 interviews with affected households, including:
 - Resettlers at both resettlement sites,
 - Relocateses (households which qualified for and opted for cash compensation rather than resettlement),
- Numerous interviews with NGGL team members, including consultants from rePlan,
- Interviews with representatives of OICI, the NGO implementing the Livelihood Enhancement and Community Empowerment Program (LEEP), and with Guards of the Earth and Vulnerable, the NGO that participates in the implementation of the Vulnerable People Program.

NGGL provided logistics (accommodation) and facilitation (vehicle) to the reviewers. Meetings and interviews with stakeholders, including affected people, were held without NGGL representatives participating. Independent interpreters assisted the reviewers.

2 RESETTLEMENT AND COMPENSATION

2.1 RESETTLEMENT

2.1.1 Overview

As reported in the report of the January 2007 review, construction and physical move are complete. Remaining issues identified during the previous reviews and monitored during this review are the following:

- land titles,
- handover of responsibility over the sites to the Asutifi District Assembly,
- water supply,
- dust.

2.1.2 Land Titles

This lengthy process is now virtually complete, with only 20 land lease titles remaining to be signed by the Chairman of the Brong Ahafo Lands Commission, out of a total of 410 submitted for signature. It is now anticipated that the whole process should be complete shortly for all beneficiaries.

2.1.3 Handover of Resettlement Sites

NGGL is preparing the handover of resettlement sites to the Asutifi District Assembly. Electricity lines and street lights are to be handed over to the Volta River Authority (VRA). A Hand-Over Technical Committee was inaugurated in May 2007 to inspect infrastructure prior to its handover. Some technical issues were identified in relation with the design of the street lighting system. These issues may delay the hand over process, but are not likely to have any implication on Project Affected Persons in the resettlement sites.

2.1.4 Dust in Resettlement Sites

The previous review had recommended speed limitation measures to reduce the impacts of dust generation in the resettlement sites. The monitoring team observed during this review that speed bumps had indeed been erected in March and April 2007 (40 in OLA and 10 in Ntotroso) in response to this recommendation.

2.1.5 Water Supply at Resettlement Sites

The indicators recommended by the independent monitors have been monitored since January 2007. This is a positive achievement. Other initiatives have also been taken to improve the management of the two water systems:

- Some components have been upgraded or replaced to improve the technical operation of the systems,
- OICI continues to support management enhancement; with support from the District Assembly, OICI attempted to reactivate the Kenyasi Water Board but this appears to be a difficult process; emphasis needs to be put on the two local WATSAN Committees at the resettlement sites, which according to OICI may require the Committee members to receive a fee for their work.

The monitoring of quantitative indicators that is now carried out by NGGL is not an end in itself. Its results must be integrated in the overall management enhancement and training effort, ideally leading the WATSAN Committees to carry out this monitoring themselves.

2.2 COMPENSATION

2.2.1 Tano Rural Bank Issue

The reviewers were pleased to observe that per one of their recommendations of the fifth review, NGGL has identified amongst recipients of cash compensation those who were unable to access their money because of the failure of Tano Rural Bank and who experienced hardship as a result. Four such households were indeed identified, and provided assistance in various ways through the Vulnerable Program.

2.3 VULNERABLE PEOPLE PROGRAM

The monitoring team is pleased to once again report on the continued success of the Vulnerable People Program. Progress has been made since the last monitoring visit. A review of eligibility to the Program has been completed for all households in the two resettlement sites. A total of 31 households in Ola and 94 households in Ntotroso were declared vulnerable. The Program has now moved on to reviewing vulnerability in the broader community.

Regular monitoring is carried out by the Vulnerable People Program team of families receiving support from the Program and this often leads to adjustment in the support given. Thus 72 persons have now been withdrawn from food basket support.

An achievement has been the setting up of the counselling unit. This had been discussed for a while and is something that the monitoring team had recommended should be supported. A large number of the cases of vulnerability are quite complex and relate to social conditions within families. In order to achieve sustainable progress out of vulnerability these issues need to be addressed. At the time of the review, the counselling unit had dealt with 53 specific counselling cases and 123 general counselling cases.

There is still some resentment from families who have not been declared vulnerable, but this is perhaps something that is to be expected in the short term. The Program continues to hold meetings with the community through the assistance of the Communications Team to explain the purpose of the vulnerable program. There was some discussion as to whether the program needed to be more stringent in its selection process. It is the view of the monitoring team, however, that if people are determined to be vulnerable, they should not be prevented from receiving assistance because of the overall quantity of people that are vulnerable.

Notwithstanding the positive reviews of this program so far, the monitoring team is of the view that there should be a mid-term evaluation of the program to ensure that the program continues to be responsive to the needs of the community and that the different components of the program link and add to each other. This evaluation should preferably be external.

As in the previous review, there was a request from Guards of the Earth and Vulnerable that Newmont should formalise their agreement with the NGO for the services that it provides on this Program. In discussions with Newmont in Accra, we understand that the reason for the delay is that a mechanism is being sought that would enable GEV to receive payment from Newmont whilst at the same time maintaining the actual and perceived independence of the NGO. Thus a more appropriate solution would be a memorandum of understanding (MOU) rather than a contract.

Recommendations:

- R6-1. NGGL to have a mid-term evaluation of the Vulnerable Program carried out by an external party.
- R6-2. NGGL to agree and sign an MOU with Guards of the Earth and Vulnerable.

2.4 GRIEVANCE AND CONFLICT MANAGEMENT

The previous external monitoring review had observed good progress on grievance management. The actual operation of the new system has been checked during this review, and was observed to be satisfactory. NGGL has now embarked in upgrading its whole social information management system, and it was observed with satisfaction that the grievance management system will be integrated in the new management system. Consultants (Borealis) have been hired to implement this information management upgrade.

It was decided that conflict management should be managed within the context of grievance management. The monitoring team concurred with this approach given the context of lower risk in Ghana. Nevertheless, this approach is something that should be monitored by senior management on a regular basis. Recommendation R5-10 from the previous review is therefore repeated.

Recommendation:

- R6-3. A six monthly review to be carried out of community relations status with regard to conflict and this review to be documented by NEAMU. A local third party observer should also be involved.

2.5 LIVELIHOOD RESTORATION AND ASSOCIATED ECONOMIC INITIATIVES

2.5.1 Agricultural Improvement and Land Access Program (AILAP)

2.5.1.1 Observations

The principles and process of AILAP are described in previous external monitoring reports. At the time of the January 2007 external monitoring mission, about 2,000 people had registered into AILAP and only about 400 people had gone through the whole process and had received their inputs. As of 31 May, 2007, 2,603 people had registered, and 1,802 had received their inputs, which gives an idea of the effort made in the first half of 2007 to meet AILAP's objectives. AILAP registration phase II is now complete. Details are shown in the following table (source July 2007 Internal Monitoring Report, data as of May 17, 2007):

Table 1: AILAP Progress

Area	Ntotroso, Gyedu & Wamahinso							Kenyasi I & II							AILAP Total
	Resettlers			Non resettlers			Ntotroso Total	Resettlers			Non resettlers			Kenyasi Total	
Community	M	F	Sub total	M	F	Sub total		M	F	Sub total	M	F	Sub total		Total
Registered	99	50	149	331	252	583	732	236	187	423	701	747	1448	1871	2603
Field verified	92	44	136	277	226	503	639	197	164	361	642	465	1107	1468	2107
Business Plan Training	94	46	140	326	259	585	725	204	172	376	604	728	1332	1708	2433
Approval by LARC	84	42	126	252	192	444	570	174	172	346	402	500	902	1248	1818
Share croppers	92	47	139	297	226	523	662	200	156	356	615	639	1254	1610	2272
Land owners	7	3	10	34	26	60	70	33	28	61	86	108	194	255	325
Caretakers	0	0	0	0	0	0	0	3	3	6	0	0	0	6	6
Individuals Bringing Land	99	50	149	331	252	583	732	236	187	423	701	747	1448	1871	2603
Individuals Requiring land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Received Inputs	85	45	130	253	189	442	572	183	177	360	385	485	870	1230	1802

Several farmers involved in AILAP were met and interviewed by the reviewers in their fields or at their homes. Farmers interviewed generally expressed satisfaction with the AILAP process. The main issue of concern that appeared from interviews is the timing of seedling deliveries. At least two individuals amongst those interviewed complained that seedlings had been delivered to them at the wrong time of the agricultural calendar, with excessive seedling mortality as a result.

The report of the January 2007 monitoring mission specifically mentioned as a very positive achievement the development as a result of AILAP's needs of local farmer groups into small scale procurement enterprises, and the associated capacity building in technical and managerial areas. A total of 57 farmers groups and small contractors were established in response to AILAP's procurement needs. They were in delivery phase at the time of the external monitors' visit. The January 2007 had mentioned some cash flow issues for some of these groups, but apparently those which were in need of cash could access credit from local banks with some support from NGGL, and this is not an issue any more. Payment is expected at complete delivery. It was observed that where groups are unable to deliver the full quantity of seedlings agreed with NGGL, they purchase seedlings themselves from outside. OICI has been active in providing support for such deals. Training has generally been effective. Other initiatives, such as the newly established AAGI (Ahafo Agri-Business Growth Initiative) or the LEEP, should take advantage of the experience of these groups to try to bring them further in terms of technical and managerial capacity.

Stool lands were made available by traditional authorities in both Kenyasi and Ntotroso stools as a safety net for farmers who would be unable to find land by themselves. While about 25 farmers initially indicated that they might prefer to be allocated such land, all eventually found land under sharecropping agreements, and stool land reserved as a safety net for now appears not to be needed.

2.5.1.2 Way Forward

Recommendations:

- R6-4. NGGL to review 2006 and 2007 seedling mortality in relation with late deliveries and assess whether corrective action is needed.
- R6-5. NGGL and other parties (OICI, African Connections) to build on the capacity that was developed for those of the AILAP procurement groups who would be interested to continue their activities – LEEP and AAGI should make contact with these groups and assess their willingness and ability to engage in further activities.

2.5.2 Livelihood Enhancement and Community Empowerment Program (LEEP)

As also mentioned for the previous mission, the reviewers were favorably impressed with the LEEP progress. The progress of LEEP is generally satisfactory, and the visible footprint of LEEP is becoming more evident, particularly in the two resettlement sites, where numerous initiatives can actually be seen (animal breeding, various craftsmanship activities, training). Groups that were visited by the monitoring team display an adequate technical command in the income-generating activities that have been promoted by LEEP through training and provision of inputs (batik dyeing, mushroom production, pig breeding, soap making, grasscutter or poultry rearing, manioc processing, etc...). The actual profitability of some of these activities needs to be reviewed (particularly soap making).

An important milestone in LEEP is that the vocational training has now started in Gyedu ICCES training centre. This existing centre has been upgraded, and support provided through OICI for training of youth. Approximately 200 youth have enrolled and are currently undergoing training. Courses include carpentry, masonry, catering, dress-making, electrical installation, plumbing and welding.

The staff of the training centre has indicated that the curriculum can be flexible to match trainees' other activities, and that support is provided to trainees in identifying opportunities to put their training in practice. The monitoring team observes, however, that the integration between training and other NGGL supported economic initiatives, such as employment with NGGL or subcontractors, LEEP, AAGI, and SME linkages, should be given more attention.

The previous review had indicated the need for NGGL to finalize its strategy with respect to micro-credit, which was one of the primary objectives of LEEP ("Provide micro-credit access to 800 clients"). While it had been at some point contemplated to use OICI as a micro-credit organization, this approach is now replaced by the use of existing local banks, such as the Asutifi Rural Bank or possibly others. Micro-credit has been gaining momentum in the last six months, with more groups or SMEs applying, particularly as a result of the AILAP procurement exercise. Integration between LEEP and micro-credit application seems to be better. The concerns that the monitoring team had expressed in the past with respect to the actual availability of micro-credit are for the most part addressed, and the approach of using local banks rather than a specific vehicle is recognized as the most likely to be sustainable.

The monitoring team has been informed that the LEEP mid-term evaluation was to be carried out shortly, and that the LEEP phase II was being discussed between stakeholders. The monitoring team will be pleased to review these documents when they are available.

2.5.3 Ahafo Agribusiness Growth Initiative (AAGI)

At the time of the July 2007 monitoring mission, the AAGI had started unfolding its activities with significant field presence in the whole Asutifi District, with a specific focus on the area closest to the mine. The implementation agency (African Connections) has established offices in Kenyasi 1, and has deployed field personnel (about 20 staff in total for the program implementation, about 11 of which are field staff). The program claims that an impressive number of groups and farmers are being trained through so-called "High-Impact Training" courses, which address both technical and managerial farming skills. The program is mainly targeting cash crops such as chili pepper, soyabeans, plantain, maize and ginger. One of its components is micro-credit, with a target of 750 farmers receiving loans from existing local banks.

During its next visit, the monitoring team will dedicate more time to this program as results should already be visible. It is observed at this stage that monitoring indicators should be developed in cooperation between the AAGI team and NEAMU, to allow for consistent monitoring of outputs and outcomes of the AAGI program.

Recommendation:

- R6-6. AAGI to develop with NEAMU a list of output and outcome indicators and monitor them at agreed frequencies.

2.5.4 Ahafo SME Linkages Program

The Ahafo SME Linkages Program, jointly financed and implemented by the International Finance Corporation and NGGL, has progressed according to schedule in the first six months of 2007. Refining the program design was the first priority of the implementation team, and this was completed in March 2007, based on an initial characterization of the SMEs that would potentially benefit from this initiative. Implementation organizations were in the process of being contracted out at the time of the review. Four areas of interest have been identified, as follows:

- Agribusinesses,
- “Hospitality” (inns, hotels and catering services),
- Fisheries,
- Masonry and construction.

NGGL has also streamlined its contracting procedures in view of allowing more space for SMEs in the supply chain. The monitoring team will follow with interest the progressive unfolding of this initiative.

2.5.5 Integration of Economic Initiatives

The monitoring team observes that several initiatives which pursue similar economic enhancement objectives are currently operational:

- the AAGI, with its strong focus on agribusiness,
- the LEEP, which is targeting livelihood restoration of Project-Affected People,
- the SME Linkages Program, which has a strong focus on the NGGL supply chain,
- to a lesser extent the procurement component of the AILAP, with its already established and legally registered farmers groups.

Each of these initiatives has of course its own specificities, in terms of objectives, of targeted beneficiaries, of implementation teams, and of engagement strategies, and the point here is certainly not about merging them. However, it is clear to the monitoring team that more linkages are needed to enhance the final outcome. The same groups or the same individual farmers could be targeted by two or more of these programs, they are active in the same communities, and some consistency is needed.

Recommendation:

- R6-7. NGGL to organize joint periodic reviews with the teams in charge of the different economic enhancement initiatives (AAGI, LEEP, SME Linkages Program, AILAP) to improve linkages between these initiatives.

3 BROADER COMMUNITY ISSUES

3.1 COMMUNITY ENGAGEMENT AND PUBLIC DISCLOSURE

An area of concern is the lack of long term planning regarding community engagement. The monitoring team understands that this is partly due to the continuing high level of demand on the Communications Unit which has meant that it has been busy ‘firefighting’ with little opportunity for long term planning. The situation may have eased somewhat with the responsibility for long term planning being taken up by the Community Relations unit, but is something which the monitoring team will give due consideration in the next monitoring review.

Issues which have required considerable effort from the Communications Team include concerns about the blasting and also new facilities such as the highways.

As a function of the Communication Team’s involvement in resolving issues that require immediate response, there has been limited progress on Newmont’s long term approach with regard to youths in the community. Some ad hoc work has been carried out: for example OICI has created 19 youth groups, with which it intends to work on various issues. The first stage has been to convey the importance of working together and to facilitate a culture of

interaction. In the case of the Communications Team the approach has been more ad hoc where interaction with youth has taken place as and when required or approached by a youth group. The need for a long term strategy of engagement with youth has been explained in the previous monitoring report and is repeated here. Whilst OICI at the communities' request and in line with usual West African practice has included people up to the age of 35 as being within their youth groups, the external monitoring team would rather define youth for the purpose of this strategy and related recommendation below as being between the ages of 16 to 21. One way to fast track the development of a strategy for youth would be to allocate specific responsibility for this to someone in the Communications Team or the Community Relations Unit. Linking the strategy with other similar Ghana based programs such as the National Youth Development Program would ensure a greater level of success.

Recommendations:

- R6-8. NGGL to develop a long term strategy of community engagement which takes account of long term dynamics of mine operations in Brong Ahafo region.
- R6-9. NGGL to develop a long term, coordinated strategy of how it will manage the Company's interaction with youth across the range of activities in which the Company is involved.

3.2 GENDER MAINSTREAMING

Steady progress is being made by the Gender Officer in the Communications Team. At the time of this review, the Gender Officer was able to report that two meetings had already been held with the Women's Committee. The members of the committee then were responsible for conveying the message and discussion of the meeting to the women in their respective communities. Committee members were also responsible for feedback to the Gender Officer on views and issues raised by the community. The Gender Officer was then able to convey these messages to the relevant section of the External Affairs Department.

This process is very much appreciated by the monitoring team as it enables action to be taken on issues raised so that the gender committee is not just seen as a forum for discussion, but also one in which real action can be taken on specific issues. It is recommended that the Gender Officer follow up on action taken by External Affairs and to complete the circle, conveying this to the gender committee.

A very specific gender related issue which became apparent in this monitoring visit is the role of the Queen Mothers in the social responsibility plan and in particular their absence from the social responsibility forum. This is discussed further in the section below on the social responsibility plan.

3.3 NON-PAP PROJECT IMPACTED PEOPLE

A brief visit was made of the communities around the Water Storage Facility. The key findings from this visit are as follows:

- Some of the water pumps are still experiencing problems.
- The patrol units were observed to be present and carrying out their duties. No difficulties were expressed by members of the patrol units interviewed with regard to their interaction with the community.
- The bus service was observed to be operational and many members of the community were making use of its service. This service is clearly very useful to the community.
- Unlike previous consultations with these communities, very few concerns were raised about the problem of mosquitoes.
- Equally concern about wildlife from the dam seems to have subsided.
- A couple of groups that had been part of the AILAP program to provide seedlings and suckers to farmers were also consulted. These groups faced problems similar to other groups with regard to meeting their target quota of numbers of seedlings or suckers delivered (see discussion above in section on AILAP).

Nevertheless the group members interviewed felt that it had been a worthwhile venture, they had learnt a lot and would be willing to take part in a similar scheme. It should be noted that the group members have yet to be paid, but the monitoring team understands that payment is to be effected in the near future. It will be checked in the next monitoring review.

- One matter which has yet to be concluded is that of the night time transport. As reported in the previous review, a number of proposals have been received which were worthy of consideration. The monitoring team was informed after the close out presentation of this review that External Affairs Department had now received a positive assessment of the proposal from the Business Advisory Centre and was looking for a suitable credit mechanism through which to provide the financial support needed to set up these local night time transport operations.

3.4 SUSTAINABLE COMMUNITY DEVELOPMENT PLAN

As mentioned in the fifth monitoring review report, an initial draft of the Sustainable Community Development Program (SCDP) was presented in the NGGL Internal Monitoring Report of September 2006 to December 2006. The SCDP represents NGGL's commitment to constructing, operating and closing the Ahafo Stage I Project's gold mining activities in a sustainable manner. The draft sets out goals and objectives of the program and also roles and responsibilities of the Community Consultative Committee.

Further drafts of the SCDP have not been reviewed by the monitoring team in this particular mission. It understands, however, that a Community Development Unit has been set up to take responsibility for development and implementation of the SCDP. This plan will need to link with the work being carried out as a part of RAP requirements and the Social Responsibility Agreement discussed below. The Community Development Unit is distinct from the Communications Team but there will be considerable synergy in their work. It is important that roles and responsibilities are clarified in relation to the work of the Communications Team. The external monitoring team understands that the Communication Team has now taken on more of a technical support role to other units whereas the Community Relations unit will be continuing to perform community engagement activities. The Community Relations unit will continue with developing the Community Development plan and will communicate it with the technical support of Communications team. The external monitoring team will look at this in more detail in the next monitoring review.

3.5 SOCIAL RESPONSIBILITY AGREEMENT

The Ahafo Social Responsibility Agreement (ASRA) is now available in draft form. It is basically an agreement between NGGL and the community. It is an important initiative which presents a way for the two entities to work together and is also a vehicle for management of the social responsibility trust fund being set up by NGGL. Oversight of the agreement will take place through the Social Responsibility Forum which is a 56 member organisation consisting of representatives from NGGL, government, traditional leaders and the community.

Activities that can be supported by the ASRA fund are human resource development, provision of infrastructure, social amenities, economic empowerment and support for cultural heritage.

Gender representation in the Forum was seriously debated during the monitoring review. Six positions in the Forum have been reserved for women, but representation of the Queen Mothers is not present in the members selected to represent the traditional council. Some Queen Mothers have expressed discontent with this to NGGL, but were unable or unwilling to enforce change through the traditional councils. Various views have been expressed about this situation including that the traditional council is not based around gender and therefore there is no need to ensure representation of the Queen Mothers. According to this view gender issues can be covered by the six female representatives of the Forum. Another view is that the Queen Mothers represent an important component of the traditional council and should be specifically represented in the Forum.

The members of the Forum have now been selected and it would in fact be very difficult to change. It is recommended therefore that progress of the Forum be monitored closely to see how it functions over the coming

months and whether specific processes need to be put in place to ensure that views of Queen Mothers are conveyed to the Forum.

4 MONITORING & EVALUATION

As mentioned in previous external monitoring reports, NGGL has established a dedicated monitoring unit (NEAMU). Following NEAMU's heating up period, the list of domains and indicators that are monitored as well as the frequencies of indicator and report generation are now well in place, and the external monitoring team has no particular comment to offer at this stage.

As mentioned in the previous January 2007 report, the external monitoring team will expect the next round of livelihood restoration surveys to incorporate a dedicated exercise on land replacement and associated livelihood/income restoration.

5 FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

The following table (Table 2) presents the progress on recommendations made in the previous reviews and which the previous review (January 2007) concluded were still pending:

Table 2: Summary of Recommendations Made in the Previous Reviews

Review	#	Issue	Recommendations	Status
May 06	R3-10	Vulnerable People	NGGL to make sure that counselling activities are defined in greater detail.	Closed Counselling activities have started
May 06	R3-19	Non PAP Project-Impacted People	NGGL to develop a strategy for identification, documentation and mitigation of impacts for all non- PAP impacted communities (communities that are impacted and are not in the direct mine take). This plan should: <ul style="list-style-type: none"> - Group people by geographical area, identify impacts and severity, develop mitigation measures and a timescale for implementation of these measures. - Present baseline socio-economic in an accessible form. - Where baseline socio-economic information has not been collected, the Project should consider the minimum information required and how it can be made available. 	Pending Monitoring team has been informed that socio-economic data is being collected as part of information collection for Stage 2.
May 06	R3-24	Community Safety	NGGL to develop effective public information and dissemination with regard to mine-related health and disease. This information awareness campaign should be carried out in association with an independent Ghanaian expert.	Pending Yet to be done
Sept 06	R4-4	Assistance to Vulnerable People	NGGL to make sure that Vulnerable People Committee's recommendations are made more operational (This is carried forward from the previous review and relates mainly to the micro-credit program)	Closed Micro-credit is now in place
Sept 06	R4-7	LEEP	NGGL and OICI to review original LEEP objectives, verify current program needs and stream-line and focus, building on achievements to date. Specifically the reviewers recommend that the following steps be taken: <ul style="list-style-type: none"> - a mid-term external evaluation; - development of a strategic framework; - action plan for implementation which takes account of inter-connection between the different activities. 	Closed Mid-term review about to be undertaken, results expected shortly

Review	#	Issue	Recommendations	Status
Sept 06	R4-10	Community Consultation and Engagement	Review methodologies for public engagement and look at widening scope by including measures such as emphasis on youth, greater transparency including information on royalty distribution. In addition consider the use of locally regarded experts and a newsletter	Ongoing Significant steps have been taken such as the development of an external newsletter. Issues regarding youths need further development.
Sept 06	R4-12	Community Consultation and Engagement	NGGL to develop effective public information and dissemination with regard to mine-related health and disease. This information awareness campaign should be carried out in association with an independent Ghanaian expert	Pending Included in the 2007 communication plan
Sept 06	R4-14	Conflict Prevention	NGGL to develop a strategy of early warning and preventative action. This could incorporate: <ul style="list-style-type: none"> - Training of external affairs department staff in direct contact with the community on recognition of signs of conflict situations. - Creation of a specific position within the External Affairs Department that would be responsible for reviewing and advising on the conflict status of the local community. It could also review design and implementation of programs to ensure that there are no aspects that could lead to a conflicting situation. 	Pending There have been some revisions to the approach; the grievance officer could also be responsible for conflict awareness.
Jan 07	R5-1	Resettlement Sites	NGGL to consider placing speed bumps and vegetal screens along the main streets of the Ola – and possibly Ntotroso – resettlement sites to limit dust generation.	Closed Done
Jan 07	R5-2	Resettlement Sites	NGGL to measure performance indicators for water systems as per Appendix 2 of this report.	Closed Done
Jan 07	R5-3	Compensation	NGGL to establish a list of compensated people whose ability to access their compensation is affected by the failure of Tano Rural Bank and check that they are not in any hardship. For those who would happen to experience hardship, transitional assistance through the Vulnerable Program should be considered.	Closed Done
Jan 07	R5-4	Land access and AILAP	NGGL to develop a specific methodology to monitor land replacement and to include such monitoring in one of the next rounds of livelihood restoration replicate surveys.	On-Going Survey questionnaires and methodologies being developed
Jan 07	R5-5	Land access and AILAP	NGGL to facilitate access of procurement groups to credit.	Closed Done
Jan 07	R5-6	Land access and AILAP	NGGL to implement the fallow land study in 2007.	On-Going Consultant services in the process of being procured
Jan 07	R5-7	Vulnerable people	NGGL to formalize an agreement or memorandum of understanding, as soon as possible, with Guards of the Earth and Vulnerable.	Pending Yet to be done
Jan 07	R5-8	Vulnerable people	Vulnerable committee to also formally review households proposed for removal from the Program.	On-Going Details of the process yet to be finalized
Jan 07	R5-9	Grievance management	NGGL to observe cracks in houses sampled in an area far from any blasting operation.	On-Going Crack monitoring device acquired by NGGL, monitoring procedures being developed
Jan 07	R5-10	Conflict prevention	A six monthly review to be carried out of community relations status with regard to conflict and this review to be documented by NEAMU. A local third party observer should also be involved.	Closed Superseded by recommendation R6-3 of this review
Jan 07	R5-11	LEEP	NGGL to finalize micro-credit strategy and to ensure micro-credit is fully in place for LEEP groups by next external review.	Closed Done

Review	#	Issue	Recommendations	Status
Jan 07	R5-12	Community engagement	Communications Unit of NGGL External Affairs to be involved from the initial stages of program development.	<u>On-Going</u>
Jan 07	R5-13	Gender	Ensure that there is a specific step in the development of all programs that considers gender issues so that it is mainstreamed into program development.	<u>On-Going</u> Significant progress made
Jan 07	R5-14	Employment	Consider enhancing transparency of the workers' selection process, with possibly: <ul style="list-style-type: none"> - Public disclosure of the lists of people in the local worker inventory, - Periodic reviews with involvement of independent stakeholders such as local chiefs, and possibly union leaders when the union group is fully established at Ahafo mine 	<u>On-going</u>
Jan 07	R5-15	Monitoring	NGGL to consider simplifying further the monitoring framework, by reducing the number of domains and indicators.	<u>Closed</u> Done
Jan 07	R5-16	Monitoring	NGGL to clarify household monitoring objectives and to revisit its household survey strategy accordingly, based on a reasonable sample of quantitative interviews in combination with more qualitative instruments, and to consider the use of a socio-economic index to process and present quantitative surveys.	<u>On-Going</u> Methodology being developed
Jan 07	R5-17	Monitoring	NGGL to focus the next campaigns of survey on livelihood restoration and land replacement.	<u>On-Going</u> Methodology being developed

6 SUMMARY OF NEW RECOMMENDATIONS

Recommendations are prioritized as follows:

High: Actions that are critical to ensure compliance with commitments contained in the RAP, ESAP or World Bank Group policies

Medium: Actions desirable to comply with social or resettlement good practice or to address actual or potential areas of social risk

Low: Important actions that may be less time critical

See table 3 below.

Table 3: Summary of New Recommendations

Review	#	Issue	Recommendation	Priority	Time frame for start of implementation
6 (July '07)	R6-1	Vulnerable People	NGGL to have a mid-term evaluation of the Vulnerable Program carried out by an external party.	Medium	Q4, 2007
6 (July '07)	R6-2	Vulnerable People	NGGL to agree and sign an MOU with Guards of the Earth and Vulnerable.	High	Q3, 2007
6 (July '07)	R6-3	Conflict Prevention	A six monthly review to be carried out of community relations status with regard to conflict and this review to be documented by NEAMU. A local third party observer should also be involved.	Medium	Q3, 2007
6 (July '07)	R6-4	Livelihood Restoration	NGGL to review 2006 and 2007 seedling mortality in relation with late deliveries and assess whether corrective action is needed.	High	Q3, 2007
6 (July '07)	R6-5	Livelihood Restoration	NGGL and other parties (OICI, African Connections) to build on the capacity that was developed for those of the AILAP procurement groups who would be interested to continue their activities – LEEP and AAGI should make contact with these groups and assess their willingness and ability to engage in further activities.	Medium	Q3, 2007
6 (July '07)	R6-6	Livelihood Restoration	AAGI to develop with NEAMU a list of output and outcome indicators and monitor them at agreed frequencies.	Medium	Q3, 2007
6 (July '07)	R6-7	Livelihood Restoration	NGGL to organize joint periodic reviews with the teams in charge of the different economic enhancement initiatives (AAGI, LEEP, SME Linkages Program, AILAP) to improve linkages between these initiatives.	High	Q3, 2007
6 (July '07)	R6-8	Community Engagement	NGGL to develop a long term strategy of community engagement which takes account of long term dynamics of mine operations in Brong Ahafo region.	High	Q1, 2008
6 (July '07)	R6-9	Community Engagement	NGGL to develop a long term, coordinated strategy of how it will manage the Company's interaction with youth across the range of activities in which the Company is involved.	Medium	Q3, 2007

APPENDIX 1: ACTIVITY LOG

Date	Activity
24/01/2007	Ms. Salam and Mr. Giovannetti arrive in Ghana.
25/01/2007	Both auditors travel by air from Accra to Project site Kick-off meeting with Project staff Review of complaints and grievances Review of the vulnerable program Interviews with two affected households in Ola resettlement site.
26/01/2007	Review of AILAP, including visits to seedling producing groups of farmers Review of LEEP, including visits to groups engaged in income-generating activities Visit to the water storage facility area
27/01/2007	Review of NEAMU monitoring and evaluation activities Interviews with 3 affected households
28/01/2007	Interviews with 6 affected households
29/01/2007	Meeting with a representative of the Human Resources department of NGGL Debriefing meeting with NGGL field staff in Kenyasi
30/01/2007	Travel from Project site to Accra. Meeting with NGGL's management in Accra. Demobilization (30 th night).