

NEWMONT GHANA GOLD LTD - AHAFO SOUTH PROJECT
INDEPENDENT EXTERNAL SOCIAL COMPLIANCE MONITORING
8th REVIEW – August 2008

Prepared by:

Ms. Tasneem Salam
tasneem@telefonica.net

Mr. Frédéric Giovannetti
fgiovannetti@yandex.ru

Prepared for:

International Finance Corporation, Washington DC, USA

Newmont Mining Corp., Denver CO, USA

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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 broader 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. Construction 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 eighth review; the previous seven were undertaken in July 2005, December 2005, May 2006, September 2006, January 2007, July 2007 and March 2008. The reports are all 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 8th review was undertaken by the two team members from August 2nd to August 7th, 2008. Dr. Nicholas Flanders from the International Finance Corporation participated in the last three days of the field mission as an observer. A close-out meeting was held with NGGL’s field team on August 6th.

Consultation with affected people took place in the form of three focus group meetings with resettlers at the OLA and Ntotroso resettlement sites held on August 5th, 2008. The review also focused on:

- The different livelihood restoration programs, particularly the AILAP - Agricultural Improvement and Land Access Program, and the LEEP - Livelihood Enhancement and Community Empowerment Program, as well as “added value” programs such as the AAGI (Ahafo Agribusiness Growth Initiative) and the Ahafo Linkages Program;
- The Vulnerable People Program put in place by NGGL,
- Checking on the status of earlier recommendations.

Specific emphasis was put on the forthcoming Completion Audit: a tentative methodology was prepared, and both approach and preparedness were discussed with NGGL and the IFC. Another important recent development is the completion of the evaluation by external consultants of three programs implemented by NGGL: the AILAP, the LEEP and the Vulnerable Program, a report of which was made available in draft form to the Monitoring Team.

The reviewers' activities during their stay in Ghana included the following:

- Visits to both resettlement sites of Kenyasi (OLA) and Ntotroso and review of LEEP activities in these sites,
- Visits to the towns of Kenyasi 2, Kenyasi 1 and Ntotroso,
- Visits to groups of farmers involved in AAGI,
- 3 focus groups, including:
 - o Women at OLA resettlement site,
 - o Men at OLA resettlement site,
 - o Women at Ntotroso resettlement site.
- Interviews with NGGL team members,
- Interviews with:
 - o Representatives of OICI, the NGO implementing the Livelihood Enhancement and Community Empowerment Program (LEEP) and certain components of AILAP,
 - o Representatives of Guards of the Earth and Vulnerable, the local NGO that participates in the implementation of the Vulnerable People Program,
 - o Representatives of African Connections, the company that implements the AAGI,
 - o Representatives of the joint IFC/NGGL Ahafo Linkages Program.

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

2 RESETTLEMENT AND COMPENSATION

2.1 THE AMOMA PIT PROJECT

NGGL is planning to open a new pit at Amoma, northeast of Ntotroso, in late 2010. The potential land take is about 562 hectares (as compared to the previous three pits it was 1,908 hectares), entirely located in the Ntotroso stool. It is tentatively estimated that about 400 households will be affected. A moratorium date (cut-off) has been declared in accordance with the Ghana Mining Code as of 18th June 2008, and NGGL has embarked on a structure inventory immediately thereafter. Opportunistic erection of numerous structures has nonetheless taken place both before and after the cut-off date, in anticipation of compensation. Consultants rePlan have been tasked by NGGL with developing a Resettlement Action Plan for this sub-project. It is contemplated that physically displaced households will be resettled in space remaining vacant at Ntotroso resettlement site, according to principles similar to those used in the past.

The Monitoring Team had little time during this trip to make an in-depth review of the situation at Amoma. The team recommends, however, that this new project take advantage of some key lessons learnt from the previous resettlement and compensation exercises, including – but not limited to – the following:

- General priorities:
 - o A strong priority to livelihood restoration requirements must be reflected throughout all aspects of the resettlement strategy, including the selection of resettlement sites and options proposed to affected people, the planning of sites, as well as the planning, staffing and budgeting of the different sub-programmes within the resettlement plan,
- Resettlement options:
 - o There is now substantial evidence from the past resettlement that for people previously engaged in farming, livelihood restoration in a resettlement site established in a sub-urban setting such as that of the existing sites in OLA and Ntotroso is very challenging; while some households (usually the most skilled or the youngest) swiftly adapt, others struggle for a long time; new income generating activities, such as those promoted under LEEP, take time to be successfully adopted;
 - o It is therefore recommended to NGGL to offer PAPs an alternative to sub-urban resettlement in the form of an “in-fill” resettlement option, whereby beneficiary PAPs would be re-settled in a rural area on available farming land rather than in the resettlement site; such in-fill resettlement

- land will definitely take time to identify and secure, but it is the Monitoring Panel's strong opinion that offering such an option would substantially alleviate livelihood restoration issues in the future; all options would need to be clarified and discussed with the PAPs so that the most appropriate can be selected, taking account of each household's characteristics and condition.
- Transition and payment of compensation:
 - o Interviews with households displaced in 2005 indicate that a number of them have not taken full advantage of the economic opportunities that compensation in the form of cash might have provided because it was quickly spent; this confirms usual observations in similar settings;
 - o Paying cash compensation, particularly significant amounts, in successive instalments could be a way to overcome this problem, as long as such payment is agreed upon by the affected person; there are projects elsewhere in West Africa where compensation for perennial crops has routinely been paid in 2 to 10 instalments over 1 to 5 years;
 - o Such a policy, if it were to be adopted by NGGL, would need to be promoted as a benefit to the affected people, otherwise there is a risk that it may be viewed as "NGGL postponing payments in its own interest";
 - o Some form of updating formula, taking care of potential currency fluctuations, would need to be associated with the instalment policy;
 - o PAB Consultants, the group that carried out the mid-term review of AILAP, LEEP and the Vulnerable Program, recommend in their draft report (July 2008, see section 4.1 below) that compensation should cover the transition period between the move and the first harvest; this recommendation should be reviewed by NGGL,
 - Livelihood restoration:
 - o The general phasing of activities in the first resettlement was (1) development of resettlement sites and construction of housing, (2) move, and (3) livelihood restoration activities;
 - o One common complaint heard from resettlers about NGGL's livelihood restoration activities is that delivery of activities and benefits is too late, and that people have to struggle for two or three years with little agriculture left and no tangible result from their new income generating activity;
 - o We therefore suggest to change the order of activities to reflect the focus on livelihood restoration; livelihood restoration is the challenge, not design or construction of housing;
 - o Engagement with PAPs about livelihood restoration options should be made part of the discussions about resettlement options, and preparedness for implementation should be improved in the pre-move period, so that actual delivery of livelihood restoration packages start immediately upon the move or even prior to the move where this is feasible and makes sense; this includes replacement land (an AILAP type initiative) and alternatives to agriculture (a LEEP type initiative);
 - Vulnerable people:
 - o The Monitoring Team has regularly been commending the quality of the vulnerable programme implemented by NGGL after the first resettlement;
 - o Again, it is recommended that screening of potential vulnerable people start in the pre-move period, particularly in view of the transition period immediately after the move when people are most likely to experience hardship;
 - o NGGL may want to make the screening process more selective (probably ending up with a smaller proportion of people screened as vulnerable), as obviously the community has been struggling to comprehend the selection process;
 - Fallow land:
 - o The results of the study on fallow land, recently completed at NGGL's request, will need to be taken into consideration when developing a land compensation strategy.

The Monitoring Team recognises that any deviation from the previous resettlement principles will need to be carefully explained to the community, as such changes could generate claims from either the "new" or "old" resettlers, who will inevitably compare the respective benefits of both strategies.

The NGGL team has a wealth of knowledge on the previous resettlement exercise that needs to be used. A few external stakeholders could also help identifying key lessons learnt, specifically including the two consulting teams involved in evaluating the AILAP/Vulnerable/LEEP programmes and carrying out the recent livelihood

restoration survey. A good option could be to organise a workshop on lessons learnt for further resettlement planning with the participation of these external stakeholders and potentially others.

Recommendations:

- R8-1. In spite of timing constraints, NGGL and consultants to take time to identify lessons learnt from previous resettlement activities, using the list above as a preliminary framework, to develop improved resettlement strategies for the Amoma pit
- R8-2. Where deviations are proposed against the previous resettlement policies, NGGL to carefully explain these deviations and their rationale to avoid “comparison claims”

2.2 FALLOW LAND STUDY

The Monitoring Team was informed that a preliminary draft of the fallow land study had been received by NGGL, and would shortly be made available to the Monitoring Team after a preliminary review by NGGL.

2.3 GRIEVANCE MANAGEMENT

The management of grievances is satisfactory, as outlined in previous reviews. The average response time is 23 days, which indicates adequate performance of the system. As of 1st August, 2008, there were 297 outstanding grievances in the system. This is an increase against previous periods. Of these, about 180 are old grievances related to cracked houses. As reported in the previous review, these grievances are in the process of being closed out as NGGL has been instructed by the EPA to repair the cracks. A procedure to close out these grievances needs to be devised once the works are complete.

Recommendation:

- R8-3. NGGL to make sure a procedure is put in place to close out old cracked houses related grievances once works prescribed by the EPA are complete

2.4 VULNERABLE PEOPLE PROGRAM (VPP)

Whilst all Form A have been completed, the program has yet to complete assessment of vulnerability for project affected households. As noted in the previous monitoring report it is essential that this is carried out as a matter of urgency.

The program has been fairly dynamic in its response to households that have been declared vulnerable, both in support given and adjustments made as circumstances of the households evolve. Thus at the time of the review, of the 459 households that had been placed on food basket assistance, 307 have had that assistance removed as they are now considered to be food sufficient. As programs like AILAP and LEEP start to bring benefits, people begin to become more food sufficient, but the support given by the food baskets in the period of adjustment has been important. The program is also trying to look at the structural causes of vulnerability to bring about a long term and sustainable outcome. To that extent the counseling, additional AILAP and alternative livelihood support are all potentially positive initiatives.

A number of additional activities are being considered by the program to enhance the support given to vulnerable households, these include a business profitability survey and a household income and expenditure survey. Whilst such activities can provide important information to better focus and improve effectiveness, the program should ensure that it is not duplicating efforts of other programs and that best use is being made of existing information and the limited time of the VPP team.

There is continued expression of dissatisfaction by non-program recipients and from the consultation carried out by the monitoring team there is an indication of a real lack of understanding of the purpose of the program. Notwithstanding that a certain amount of jealousy can be expected in a context of wider-ranging poverty, the mood here is particularly persistent and negative. The monitoring team considers two issues to be significant:

- Without effective transition phase support at the very beginning of a resettlement program, there are inevitably more vulnerable households than one would expect, nevertheless the program should look at a more rigorous and clear screening so that the difference between vulnerable and non-vulnerable is evident.
- The concept of vulnerability is one which even some development professionals find difficult to comprehend and it is very context specific. To convey a clear understanding of this is not easy and the Vulnerable Program should look again at its information dissemination, perhaps with people from community development and communications to develop an effective community engagement strategy that directly addresses questions that come from the people and at the same time is able to convey in a simple way the concept of the VPP in the context of this project.

The monitoring team is pleased to be able to report that Guards of the Earth and Vulnerable now have a signed MOU with NGGL.

Recommendations:

(both repeated from previous report)

- R8-4. NGGL to continue efforts to socialize the Vulnerable People Program with input from the traditional leaders – by developing a very specific consultation which directly addresses the community's questions. This should build on the considerable ongoing efforts that have already been made in this regard.
- R8-5. NGGL to expedite the review of remaining target households for potential incorporation in the Vulnerable People Program

2.5 LIVELIHOOD RESTORATION AND ASSOCIATED ECONOMIC INITIATIVES

2.5.1 Agricultural Improvement and Land Access Program (AILAP)

The principles and process of AILAP are described in previous external monitoring reports. The third phase of AILAP is being implemented in 2008. The total number of farmers that have been assisted by AILAP in its three successive phases has reached about 3,000 (see details in Table 2 below). The core of AILAP assistance delivery will be completed upon completion of the third phase in 2008, while the whole programme will end in 2009.

Table 1: AILAP Key Indicators

#	COMMUNITY	# REGISTERED			# RECEIVED AILAP PACKAGE		
		Male	Female	Total	Male	Female	Total
1	Ntotroso Resettlement	99	50	149	94	45	139
2	Kenyasi 2 Resettlement	207	174	381	202	183	385
3	Ntotroso/Gyedu/Wamanhinso	478	329	807	459	310	769
4	Kenyasi Non Resettled	885	943	1828	876	912	1788
	TOTAL	1,669	1,496	3,165	1,631	1,450	3,081

Source: PAB Consultants draft evaluation report (July 2008)

The last year of AILAP in 2009 will provide an opportunity for monitoring the results of the previous campaigns, and to mitigate observed deficiencies if any. Lessons learnt from the three AILAP campaigns also need to be used for the development of further livelihood restoration strategies in view of the Amoma pit project, based on the recent independent evaluation.

2.5.2 Livelihood Enhancement and Community Empowerment Program (LEEP)

It is planned that LEEP I which has focused mainly on the resettlement sites will be closed by the end of 2008 and LEEP 2 will commence thereafter focusing on a wider stakeholder group. The latest IMR states that exit strategies are being developed for LEEP 1 activities. The monitoring team did not, on this occasion, look into these exit strategies, but should make it a priority for the next mission.

LEEP has had considerable success in some areas and more moderate success in others. Its achievement, however, needs to be looked at in the context of the complexity of introducing different types of farming practices not only to a specific community for the first time, but also to land which has not been intensively farmed and therefore retains its own natural ecosystem. For example one of the activities introduced by LEEP was poultry farming, but the poultry became diseased and died. The reason for this being that unknown to the LEEP implementers, local hens were carriers of a disease and this manifest itself when cross-bred with exotic breeds, which were not resistant to that disease. Equally mushroom farming which in one season was a great success, in another season faced problems as farmers were not able to create the conditions required for that strain of mushroom. Sheep rearing around the resettlement area also faced challenges as people used to rearing animal in large open spaces are required to adapt to more intensive farming. These examples demonstrate that livelihood restoration requires detailed planning and analysis, often the results are difficult to predict and therefore need to be viewed as a long term strategy. What is important is that the community and other stakeholders are kept informed. Some PAPs consulted on this monitoring visit when mentioning the incidence of the poultry disease, were clearly under the impression that it was their own fault and requested that Newmont provide them with training to reduce the incidence of disease. The real reason for the poultry disease should be explained to the people.

It is important that the challenges of LEEP as well as its positive outcomes are disseminated to all stakeholders so that there is an understanding of why particular activities may not have worked and also for people to appreciate the long term nature of livelihood restoration.

Recommendation:

- R8-6. OICI to prepare a short document reflecting lessons learned from LEEP I to be used in LEEP II and other similar activities of the project

2.5.3 Ahafo Agribusiness Growth Initiative (AAGI)

AAGI is an “added value” initiative (beyond mitigation measures) that targets participants from a broader area than the affected communities, with farmers from Wamahinso, Kenyasi 1, Gyedu, Kenyasi 2, Ntotroso, Nkaseim, Hwidiem and Nkrankrom participating in the Program. AAGI’s implementing agency is consulting company African Connections. Five cash crops were initially targeted by the Program (chili pepper, plantain, maize, ginger and soyabean), as well as gari processing (from cassava) and palm oil processing. 196 groups, or a total of about 2,000 farmers, have received training (“high impact training” or HIT), with most groups formed to develop the farming of plantain (81 groups) and chili pepper (52 groups). Five associations have also been formed for each of the five crops promoted. AAGI is now in a second phase of consolidation, and African Connections recently decided to eliminate three activities (gari, palm oil and maize), which lacked perspective and had generated less interest than the other four.

As reported by the previous review, AAGI has also facilitated the access of groups to financing, with agreements signed with EDIF, a Government of Ghana facility, for soyabean groups (New Ghana Cedis 77,000) and for chili pepper groups (New Ghana Cedis 92,000). EDIF funds are intended to cover the development of a processing

facility with equipment, purchase of farm equipment, including tractors (one for each of the two associations), ploughs, harrows, and other smaller equipment.

During this review, the Monitoring Team was pleased to confirm previous observations that positive results are already visible in the field, particularly in terms of enhanced farming techniques. In addition, positive developments are underway in terms of marketing, with enhanced awareness of the farmers groups on the one hand, and the potential establishment of direct relationships between such groups and exporters of ginger and other produce on the other. The Monitoring Team reiterates its earlier recommendation to African Connections to pay utmost attention to exit strategies related to its ambitious mechanization plans. The same applies to the planned processing centre.

2.5.4 Ahafo SME Linkages Program (ALP)

The Ahafo Small and Medium Enterprises Linkages Program (ALP - a joint IFC / NGGL initiative) is generally progressing according to plan; the following results were reported to the reviewers in this mission:

- Local procurement at NGGL:
 - o In the first five months of 2008, “local-local” procurement (procurement from companies registered in the 13 communities closest to the mine) reached USD 1.9M or about 2% of all NGGL’s procurement, in slight progression against 2007;
 - o The initial target of USD 5.2M for the whole year is unlikely to be reached, and is going to be revised;
- The other components are progressing:
 - o The Local Suppliers Development (LSD) component, implemented by consultants Technoserve, is working with 28 companies, with simple objectives such as getting these small businesses to open a local office (22 have done so), recruit an administrator (21 have done so) and initiate simple record keeping (22 are in the process of doing so),
 - o The Local Economic Development (LED) component, also implemented by Technoserve, is also working with 28 companies (not necessarily the same as the 28 above), and has carried out training on basic business management, a sector value chain analysis to provide support to local businesses on areas that have development potential (an example is poultry rearing), and is preparing business improvement plans on a case by case basis,
 - o The Business Association Strengthening component, implemented by CDC/FIT Ghana, is working with ALBA (Ahafo Local Business Association) to strengthen its capacity; training of trainers has started.

The previous review had mentioned that in the Monitoring Team’s opinion, the targeted increase in sales of supported businesses could have been more ambitious (it is currently USD 3.2M per annum). The Monitoring Team was informed that this target is currently under review.

3 BROADER COMMUNITY ISSUES

3.1 COMMUNITY ENGAGEMENT AND PUBLIC DISCLOSURE

Significant developments have been made in communications and community engagement. The Communications Department has been organizing visits to the project (in which people are taken around the facilities) for different groups of people. As a part of this a questionnaire survey has been developed to monitor people’s understanding of the project before the visit and after the visit. Specific visits are also organized through schools for young people, and the strategy is to use the feedback from these visits to develop a program for working with schools and youth in the long term. The monitoring team views this to be a careful and considered way to develop long term engagement and hope the efforts will continue.

One area which needs some attention is engagement with the NGOs both local and international. As mentioned in the previous monitoring report, third party agitation can often be a disruptive force that undermines the livelihood

restoration and community engagement efforts of NGGL and it is important that Newmont is aware of the different messages being conveyed by third party groups.

Ahead of the Completion Audit it would be useful for NGGL to prepare a brief note that gives an overview of current status of relations with the community and different stakeholders, on-going activities and planned activities. This note should also indicate the status of community engagement recommendations that had been made in previous reports by this social compliance monitoring team.

Recommendation:

- R8-7. NGGL to prepare ahead of the Completion Audit a status report of community engagement activities underway and planned which would also indicate status of recommendations made by monitoring team

3.2 GENDER MAINSTREAMING

Very good progress has been made on gender mainstreaming with innovative approaches which address its multi-dimensional nature. Since the last monitoring report the Women's Consultative Committee (WCC) has met two times. These meetings have been followed by the two way process of feedback in which each member of the committee reports to its represented community members, finding out their views, which are then reported back to the gender officer at NGGL. This two-way feedback process is extremely important in both ensuring dissemination and enabling grassroots inputs to be maintained. The empowering effect of this committee can be seen by the increase in the number of women that are now actively participating in other committees. There is also collaboration with the Ghana Ministry of Women through its regional departments which is involved in activities of WCC.

Efforts are now being focused on developing and supporting income generation activities. The WCC has already set up a revolving fund of its members and has accumulated 1,800 new Ghana Cedis which has been placed in Eco Bank. So far no money has been lent as they are in the process of developing the most suitable procedure for disbursement. Group lending is the preferred option, but it requires groups to be formulated that can build up trust and work together. In addition the WCC has in association with IFC's ALP program carried out a survey of women's business needs to be followed by specific training to address skill needs. These are all interesting initiatives which build on one of the strengths of Ghana which is the initiative and business acumen of the female population. The monitoring team looks forward to the implementation of the training and subsequent development of income generation activities.

As a part of the IFC support there will also be a series of group discussions with the male members of the community to continue the efforts of sensitizing them on gender issues. A total of 10 groups are proposed and the intention is to use theatre to enact every day scenes in the home and community to generate discussions around themes relating to gender. The use of theatre is not only a good way of getting people to discuss issues which can often be quite sensitive but also uses a medium which has traditionally been used in Ghana to convey important messages to the community.

The gender team is also currently drafting a workplace gender policy.

3.3 NON-DISPLACED AFFECTED PEOPLE

The monitoring team did not have time on this mission to consult with non-displaced affected people, but they will form a specific component of the Completion Audit.

3.4 SOCIAL RESPONSIBILITY AGREEMENT

Limited concrete activity has been observed so far related to the Social Responsibility Agreement (SRA), although we understand that the SRA forum has been meeting regularly. Interestingly the SRA forum is providing input into criteria and procedures to assist the Human Resource Department in defining the local workforce.

3.5 LOCAL EMPLOYMENT

Updated figures describing the current performance in employing locals were provided to the Monitoring Team by NGGL. Overall, 27% of the total Operations workforce (868 locals out of a total of 3,208 workers, including the contractors' workforce) are locals (e.g. originating from a list of designated Ahafo Mine local communities) as of December 2007. This is in slight progression against December 2007, when 728 workers out of a total of 2,828 were local workers (25%).

For NGGL and the six contractors with the largest workforce, the performance in employing locals is the following (Table 3):

Table 2: Percentage of Locals Employed by NGGL and its 6 Main Contractors

Contractor	Activity	Total Workforce (Dec. 2007)	% of Locals (Dec. 2007)	Total Workforce (June 2008)	% of Locals (June 2008)
NGGL		1,284	26%	1,433	29%
ATS	Catering	440	35%	416	38%
G4S	Security	224	31%	261	26%
Mantrac	Technical	100	0%	111	0%
Naachia	Technical	77	0%	77	0%
OICI	Social / Development	65	34%	66	32%
Liebherr	Technical	57	4%	56	2%

The Monitoring Team reiterates observations and recommendations made in the previous report: these percentages are below what one could expect, particularly for some contractors using mainly unskilled workforce such as those in charge of catering or security (much higher percentages of locals are usually achieved for similar activities on similar ventures elsewhere in West Africa), and for contractors using zero locals (it is hard to believe that a contractor, whatever its activity, would not need one single unskilled personnel).

Recommendations (reiterated from previous review):

- R8-8. NGGL to review current targets for local employment, particularly for contractors with mostly unskilled workforce such as those engaged in catering and security, to review current performance in meeting these targets, and to determine whether more ambitious targets will yield improved results
- R8-9. NGGL to make sure that contractors that do not comply with its local employment policy are identified and required to become compliant with established policy. Organizational linkages between the Supply Chain (Procurement), Human Resources (Employment) and External Affairs Departments to be checked in this perspective

4 MONITORING & EVALUATION

4.1 MID-TERM EVALUATION OF SPECIFIC PROGRAMS

A mid-term review of the Vulnerable Program, the AILAP, and the LEEP has been carried out by PAB Development Consultants Ltd of Tema, Ghana. A draft report had just been delivered to NGGL at the time of the review. This report is very comprehensive and provides a good basis for a complete assessment of all three programs. It rightly puts sustainability and exit strategies into focus. The Monitoring Team generally concurs with many of the consultants' recommendations, but would still suggest that when preparing the final version, the consulting team be instructed by NGGL to make their recommendations as practical as possible and to prioritise them.

As mentioned above in section 2.1, the Monitoring Team recommends the participation of the PAB consulting team in identifying key lessons learnt in view of planning resettlement for the Amoma pit.

4.2 LIVELIHOOD RESTORATION SURVEYS

NEAMU, the NGGL internal monitoring unit, has outsourced the implementation of a new round of livelihood restoration surveys to SDN, a group of consultants from the Kumasi University of Science and Technology. The field work was done in June and July 2008. The processing of information was on-going at the time of the Monitoring Team's visit to Ghana.

A total of three campaigns of livelihood restoration surveys is now available (Table 3):

Table 3: Livelihood Restoration Surveys

Survey	Contractor	Date	Number of Household Questionnaires
Baseline	OICI	December 2003	284
1 st replicate survey	OICI	May – June 2006	392
2 nd replicate survey	SDN Consultants	June 2008	400

To be able to use these surveys in a productive manner, it is critical that information be comparable from one survey to the other, but also that the sampling strategies be consistent. Prior to the Completion Audit (see Appendix 1) **Error! Reference source not found.**NGGL will have to check the consistency of the data, and produce a summary report analyzing the three rounds of livelihood surveys and collating the following information for each of the three surveys:

- Sampling methodology, including a detailed description of the stratification as well as of the origin of the lists that interviewees were sampled from (compensated individuals or households),
- Questionnaires used, including a detailed comparison of questions related to the same topics (for example cash income, non cash income, household assets),
- Description of electronic databases developed to input survey data, and analysis of their compatibility in the perspective of comparing information.

Based on the above, the report will propose a strategy to use data from the three surveys for sound comparisons.

Recommendation:

- R8-10. NGGL to produce a summary report on the three livelihood surveys for the consideration of the Monitoring Team

4.3 INFORMATION MANAGEMENT

The Monitoring Team reiterates its previous assessment that, while the design of the Information Management System (IMS) is very good, gaps in data entry jeopardize its effective use.

Recommendation:

R8-11. NGGL to review the backlog in data entry into the IMS and produce an action plan, including operational responsibilities, to address this backlog

4.4 COMPLETION AUDIT

The Terms of Reference of the external Monitoring Team jointly agreed upon between NGGL and the IFC includes the requirement to carry out a Completion Audit, which would in effect close the monitoring exercise. The purpose of the Completion Audit is to verify that all commitments contained in the Resettlement Action Plan are met, and that livelihoods are restored.

Initial discussions on the methodology of the Completion Audit were conducted in this mission and a Terms of Reference is being prepared with scope and timing still under discussion. Details will be developed and presented during the next mission (early 2009). It is important that parties involved (NGGL and the International Finance Corporation) understand and agree upon the scope and methodology. Also of critical importance in the perspective of the Completion Audit is the recommendation above about quantitative livelihood surveys (see section 4.2).

5 FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

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

Table 4: Summary of Recommendations Made in the Previous Reviews

Review	#	Issue	Recommendations	Status
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. 	<u>Pending</u> No information has been provided to the Monitoring Team on either the data collected or strategy
May 06	R3-24	Community Safety	NGGL to develop effective public information and dissemination with regard to mine-related health and diseases. This information awareness campaign should be carried out in association with an independent Ghanaian expert	<u>Closed</u> Superseded by R8-7
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	<u>Closed</u> Superseded by R8-7

Review	#	Issue	Recommendations	Status
Jan 07	R5-6	Land access and AILAP	NGGL to implement the fallow land study in 2007	On-Going Consultant services procured, draft report being internally reviewed by NGGL
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	R5-13	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.	Closed Gender team developing activities to increase gender awareness amongst different stakeholders.
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 	Closed Generally done, but outcomes of the local employment policy yet leaving to be desired
July 07	R6-1	Vulnerable People	NGGL to have a mid-term evaluation of the Vulnerable Program carried out by an external party.	Closed Evaluation done, report available in draft
July 07	R6-2	Vulnerable People	NGGL to agree and sign an MOU with Guards of the Earth and Vulnerable.	Closed Done, MoU signed
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.	Pending Yet to be done
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.	Closed Done
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.	Closed Superseded by R8-7
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.	Closed Communications department developing programs for young people. Recommendation also partly superseded by R8-7
Feb 08	R7-1	Vulnerable People	NGGL to increase efforts to socialize the Vulnerable People Program with input from the traditional leaders	Closed Superseded by R8-4
Feb 08	R7-2	Vulnerable People	NGGL to expedite the review of remaining target households for potential incorporation in the Vulnerable People Program	Closed Superseded by R8-5
Feb 08	R7-3	Livelihood Restoration	LEEP I to place more emphasis on relocatees and non-displaced affected people in the dam area	Closed LEEP 2 will focus on wider community
Feb 08	R7-4	Business Development	AAGI and the two relevant associations to carefully plan management details related with the mechanized equipment that associations will purchase using the EDIF facilities	On-Going
Feb 08	R7-5	Business Development	ALP to review existing program results in view of increasing the current target of USD 3.2 M for increase in total sales of targeted local businesses	On-Going Target being reviewed

Review	#	Issue	Recommendations	Status
Feb 08	R7-6	Engagement	NGGL / Communications Department to develop interactive communications material to be used by teachers in schools to inform young people about mining and its role in Ghana	Closed Communications department developing programs for young people. Recommendation also partly superseded by R8-7
Feb 08	R7-7	Engagement	NGGL to work with stakeholders in view of implementing quickly a number of quick impact, infrastructure-type projects to achieve demonstrable and visible benefit through the development of community determined infrastructure priorities, even before the community development strategy and social responsibility forum is finalised	On-Going Will be done within the Social Responsibility Agreement
Feb 08	R7-8	Local Employment	NGGL to review current targets for local employment, particularly for contractors with mostly unskilled workforce such as those engaged in catering and security, to review current performance in meeting these targets, and to determine whether more ambitious targets will yield improve results	Closed Superseded by R8-8
Feb 08	R7-9	Local Employment	NGGL to make sure that contractors that do not comply with its local employment policy are identified and required to become compliant with established policy. Organizational linkages between the Supply Chain (Procurement), Human Resources (Employment) and External Affairs Departments to be checked in this perspective	Closed Superseded by R8-9
Feb 08	R7-10	Monitoring & Evaluation	NGGL to finalize the development of the methodology for the livelihood restoration surveys, including the assessment of land access	Closed Surveys done in Q3, 2008, inputting in progress at time of review
Feb 08	R7-11	Monitoring & Evaluation	NGGL to organize a quantitative and qualitative livelihood restoration survey in 2008 for External Monitoring Team to be able to declare whether pre-conditions for the Completion Audit are met	Closed Surveys done in Q3, 2008, inputting in progress at time of review
Feb 08	R7-12	Monitoring & Evaluation	External Monitoring Team to develop a detailed Terms of Reference for the Completion Audit during the forthcoming review	Closed Done, see Appendix 1, comments expected

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 5 below.

Table 5: Summary of New Recommendations

Review	#	Issue	Recommendation	Pr	
8 (Aug 08)	R8-1	Amoma pit resettlement & compensation	In spite of timing constraints, NGGL and consultants to take time to identify lessons learnt from previous resettlement activities, using the list above as a preliminary framework, to develop improved resettlement strategies for the Amoma pit	I	
8 (Aug 08)	R8-2	Amoma pit resettlement & compensation	Where deviations are proposed against the previous resettlement policies, NGGL to carefully explain these deviations and their rationale to avoid "comparison claims"	I	
8 (Aug 08)	R8-3	Grievance management	NGGL to make sure a procedure is put in place to close out old cracked houses related grievances once works prescribed by the EPA are complete	Mi	
8 (Aug 08)	R8-4	Vulnerable people	NGGL to continue efforts to socialize the Vulnerable People Program with input from the traditional leaders – by developing a very specific consultation which directly addresses the community's questions This should build on the considerable ongoing efforts that have already been made in this regard.	Mi	
8 (Aug 08)	R8-5	Vulnerable people	NGGL to expedite the review of remaining target households for potential incorporation in the Vulnerable People Program	I	
8 (Aug 08)	R8-6	Livelihood restoration	OICI to prepare a short document reflecting lessons learned from LEEP I to be used in LEEP II and other similar activities of the project	Mi	
8 (Aug 08)	R8-7	Community engagement	NGGL to prepare ahead of the Completion Audit a status report of community engagement activities underway and planned which would also indicate status of recommendations made by monitoring team	Mi	
8 (Aug 08)	R8-8	Local employment	NGGL to review current targets for local employment, particularly for contractors with mostly unskilled workforce such as those engaged in catering and security, to review current performance in meeting these targets, and to determine whether more ambitious targets will yield improved results	I	
8 (Aug 08)	R8-9	Local employment	NGGL to make sure that contractors that do not comply with its local employment policy are identified and required to become compliant with established policy. Organizational linkages between the Supply Chain (Procurement), Human Resources (Employment) and External Affairs Departments to be checked in this perspective	I	
8 (Aug 08)	R8-10	Completion audit	NGGL to produce a summary report on the three livelihood surveys for the consideration of the Monitoring Team	Mi	
8 (Aug 08)	R8-11	Information management	NGGL to review the backlog in data entry into the IMS and produce an action plan, including operational responsibilities, to address this backlog	Mi	

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