

NEWMONT GHANA GOLD LTD - AHAFO SOUTH PROJECT
INDEPENDENT EXTERNAL SOCIAL COMPLIANCE MONITORING
5th REVIEW – January 2007

Prepared by:

Ms. Tasneem Salam
101707.3616@compuserve.com

Mr. Frédéric Giovannetti
FredGiovannetti@aol.com

Prepared for:

International Finance Corporation, Washington DC, USA

Newmont Mining Corp., Denver CO, USA

Revision 2 – March 31, 2007

Contents

1	INTRODUCTION.....	1
1.1	GENERAL SCOPE OF THE EXTERNAL COMPLIANCE MONITORING.....	1
1.2	FOCUS OF THIS REVIEW.....	1
2	RESETTLEMENT AND COMPENSATION.....	2
2.1	RESETTLEMENT.....	2
2.1.1	Move.....	2
2.1.2	Land Titles.....	2
2.1.3	Dust in Resettlement Sites.....	3
2.1.4	Handover of Resettlement Sites.....	3
2.1.5	Water Supply at Resettlement Sites.....	3
2.2	COMPENSATION.....	3
2.2.1	Status.....	3
2.2.2	Tano Rural Bank Issue.....	4
2.3	REVIEW OF THE AGRICULTURAL IMPROVEMENT AND LAND ACCESS PROGRAM.....	4
2.3.1	Observations.....	4
2.3.2	Way Forward.....	6
2.4	FALLOW LAND STUDY.....	6
2.5	REVIEW OF THE VULNERABLE PEOPLE PROGRAM.....	7
2.5.1	Status of the Vulnerable People Program.....	7
2.5.2	Some Noteworthy Achievements.....	7
2.5.3	Monitoring Mechanisms.....	7
2.5.4	Other Issues for Consideration.....	8
2.6	GRIEVANCE MANAGEMENT.....	9
2.6.1	New Grievance Management System.....	9
2.6.2	Blasting Grievances.....	9
2.6.3	Conflict Management.....	10
2.7	REVIEW OF THE LIVELIHOOD ENHANCEMENT AND COMMUNITY EMPOWERMENT PROGRAM (LEEP).....	10
3	BROADER COMMUNITY ISSUES.....	11
3.1	COMMUNITY ENGAGEMENT AND PUBLIC DISCLOSURE.....	11
3.1.1	Progress.....	11
3.1.2	Current Approach and Long Term Strategy.....	11
3.1.3	The Youth - Management of Expectations and Capacity Building.....	12
3.2	GENDER MAINSTREAMING.....	12
3.3	NON-PAP PROJECT IMPACTED PEOPLE.....	13
3.4	EMPLOYMENT AND PROCUREMENT.....	14
3.4.1	Local Employment.....	14
3.4.2	Local and “Local-Local” Procurement.....	14
3.5	SUSTAINABLE COMMUNITY DEVELOPMENT PLAN.....	15
4	MONITORING & EVALUATION.....	15
4.1	NEAMU.....	15
4.2	DATABASE.....	16

4.3	SOCIO-ECONOMIC MONITORING SURVEYS	16
5	FOLLOW-UP ON PREVIOUS RECOMMENDATIONS	16
6	SUMMARY OF NEW RECOMMENDATIONS	20
	APPENDIX 1: ACTIVITY LOG	23
	APPENDIX 2: MONITORING OF WATER SYSTEMS	24

List of Tables

Table 1: AILAP Progress	4
Table 2: Summary of Recommendations Made in the Previous Reviews.....	17
Table 3: Summary of New Recommendations.....	21

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.

Newmont 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 fifth review; the previous four were undertaken in July 2005, December 2005, May 2006 and September 2006. 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 Newmont 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 5th review was undertaken by the two team members from January 24 to January 30, 2007. A close-out meeting was held with NGGL’s field team on January 29 and a debriefing took place at NGGL’s Accra office on January 30, with both NGGL and IFC representatives in attendance.

Since the last review, NGGL has continued implementing important activities, such as:

- The Livelihood Enhancement and Community Empowerment Program (LEEP),
- The Vulnerable People Program,
- The Agricultural Improvement and Land Access Program (AILAP).

A new program, jointly implemented by NGGL and the IFC, has started: the SME Linkages Program. An overarching “Social Responsibility Agreement” is currently being discussed between NGGL and a range of stakeholders.

The January review has focused on:

- Monitoring resettlement-related issues and related programs, with a specific focus on the LEEP, the Vulnerable People Program and the AILAP.
- Monitoring non-resettlement related community issues, such as impacts of the activities on non resettled communities near the mine take area, 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,
- Visits to the towns of Kenyasi 2 and Ntotroso,
- Visit in the Mine Take Area and its vicinity, including around the Water Storage Facility in areas not included in the mine land take, and consultation with residents of this area and community patrollers,
- Visits to groups of farmers involved in seedling production for AILAP,
- Visits to groups of involved in non-farming income generating activities sponsored by LEEP,
- Interview with the manager of Asutifi Rural Bank in Acherensua,
- 9 interviews with affected households, including:
 - Resettlers at both resettlement sites,
 - Relocatees (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 tasked, amongst others, with implementing the Livelihood Enhancement and Community Empowerment Program (LEEP), and with Guards of the Earth and Vulnerable, the NGO tasked with some components of 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 Move

The previous external monitoring report mentioned that four households were yet to move to their resettlement houses (two in Ola, two in Ntotroso): it is understood from the latest internal monitoring report that, with a single exception in Ntotroso, the succession and other problems that prevented these households from moving into their new houses are now resolved. 397 resettled households have moved.

2.1.2 Land Titles

The process of delivering land titles to resettlers is a lengthy one, which has been repeatedly reported in the external monitoring reports. The reviewers were pleased to observe that steps taken by NGGL (and reported in the previous report) now result in measurable progress and that overall the process appears to be well under control:

- All lease applications to the Lands Commission (318 in Ola and 96 in Ntotroso, including commercial leases) have been approved,
- 269 lease documents have been typed and submitted to the beneficiaries for signature, of which 196 have been signed and returned to the Lands Commission;
- The final steps to complete the process are as follows:
 - Preparation of the 145 lease documents yet to be submitted to the beneficiaries,
 - Signature of these 145 lease documents and of the 73 already submitted but yet to be signed,
 - Final signature of all lease documents by the Chairman of the Lands Commission (Accra), which will require NGGL's facilitation,
 - Registration in Sunyani of lease documents signed by both parties,
 - Distribution of signed and registered lease documents to the beneficiaries.

NGGL envisions that this process should be completed by April 2007.

As mentioned in a previous external review report, once lease documents are signed, the beneficiaries are supposed to pay a ground rent to the Asutifi District Assembly. NGGL has committed to pay the amount corresponding to the first year of rent on behalf of beneficiaries.

2.1.3 Dust in Resettlement Sites

This review took place in the middle of the dry season. It was observed that significant amounts of dust are generated by traffic (usually local, non-Project related, traffic) on the streets of the resettlement sites (particularly in Ola). This disturbs people living along these streets, and may have undesirable health impacts. NGGL has already prevented Project related traffic (such as buses collecting workers) to enter the resettlement sites to limit dust emission. NGGL should also consider taking measures to reduce traffic speed along these streets, such as the installation of speed bumps, and possibly to plant shrubs along the roads.

Recommendation:

- R5-1. 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.

2.1.4 Handover of Resettlement Sites

NGGL is preparing the handover of resettlement sites to the Asutifi District Assembly. This process will be checked during the next external monitoring mission.

2.1.5 Water Supply at Resettlement Sites

Recommendations of the third review have been partly implemented:

- Water systems at Ola and Ntotroso resettlement sites are monitored,
- Revenue collection at the public standtaps in both sites is improved,
- OICI has held awareness and training sessions with Water Boards (at town level) and with WATSAN committees (at site level).

However:

- The external review of management systems that the auditors had recommended (third review) has not been implemented: NGGL has indicated that it prefers to use its own resources – and OICI's – to monitor the systems and improve their management, unless it is demonstrated that this approach is insufficient;
- Monitoring data gathered from both sites could have been analyzed more effectively: Appendix 2 provides details on monitoring indicators that, in the reviewers' opinion, should be measured to get a proper understanding of the systems' critical operation and management parameters.

Appendix 2 provides details on indicators that NGGL should measure on a monthly basis.

Recommendation:

- R5-2. NGGL to measure performance indicators for water systems as per Appendix 2 of this report.

2.2 COMPENSATION

2.2.1 Status

Cash compensation of crops is still on-going on a limited scale. In October 2006, NGGL has reached an agreement with the Crop Rate Review Committee to increase the crop compensation rates by 14%, with effect from 1st June, 2006. In addition, some selected crop rates were increased by much more than the common 14% increase. The rate update process involved a study tour by Committee members to other areas of Ghana where

compensation is paid by mining companies. The backlog of compensation due to farmers compensated between June and October with the old rates was paid in November and December 2006.

Some remaining buildings were also paid during the last six months. Compensation for buildings is reportedly complete.

2.2.2 Tano Rural Bank Issue

Compensation has usually been paid by NGGL in cash. Some affected people from Ntotroso have deposited this cash on a savings account opened at the Tano Rural Bank branch in Ntotroso. This bank later happened to be unable to release their money to account holders when they requested a withdrawal. Amongst the nine people that the reviewers interviewed, two, who were affected by this issue, confirmed that they were until now unable to access their funds. Possible fraudulent activities are currently being investigated by the Special Fraud Office. NGGL is clearly not responsible for this issue. The practical result, though, is that affected people are unable to access and use their compensation.

Recommendation:

- R5-3. 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.

2.3 REVIEW OF THE AGRICULTURAL IMPROVEMENT AND LAND ACCESS PROGRAM

2.3.1 Observations

2.3.1.1 General Progress

The process of AILAP is described in the third external monitoring report. Generally, the reviewers have been pleased to observe the progress of AILAP since the last review:

- Almost 2,000 people have registered into AILAP,
- About 400 people have gone through the whole process and have received their inputs.

Details are shown in the following table (source Internal Monitoring Report as of 31 December 2006):

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	89	49	138	260	193	453	591	217	178	395	444	538	982	1377	1968
Field verified	76	42	118	194	140	334	452	174	151	325	277	372	649	974	1426
Business Plan Training Completed	82	43	125	238	177	415	540	185	164	349	392	496	888	1237	1777
Approval by LARC	64	33	97	163	117	280	377	144	133	277	173	226	399	676	1053
Share croppers	85	46	131	246	182	428	559	185	151	336	411	496	907	1243	1802
Land owners	4	3	7	14	11	25	32	29	24	53	33	42	75	128	160
Caretakers	0	0	0	0	0	0	0	3	3	6	0	0	0	6	6
Individuals Bringing Land	89	49	138	260	193	453	591	217	178	395	444	538	982	1377	1968
Individuals Requiring land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Received Inputs	38	19	57	52	39	91	148	82	56	138	55	54	109	247	395

The numbers above raise the following comments:

- The performance of the AILAP process is slightly different for males and females:
 - o While 22% of AILAP-registered males have gone through the whole process and received their package, only 18% of females have received their package;
 - o Although the difference is not large enough to raise serious concerns about the fairness of the process, it is probably significant and NGGL should investigate this difference;
- An overwhelming proportion of people registered in AILAP declare themselves as “sharecroppers” and present an *abunu* sharecropping agreement with a “landowner”; in fact, the percentage of sharecroppers as declared in AILAP (92%) is far higher than what would normally be expected; most people take advantage of “traditional owner land access fee”, which was intended to encourage traditional landowners to bring land into the AILAP; what happened in reality is that landowners declare themselves as sharecroppers and present fake sharecropping agreements passed with a relative or friend, with the sole purpose of receiving the land access fee; NGGL has reacted to this situation with a decision to pay all farmers the traditional land access fee of 1.5 million Cedis, irrespective of their land tenure status;
- 100% of beneficiaries have managed to find land; the initial estimate was that about 25 farmers might be in need of land and would have to resort to the safety net of AILAP, the “Royal” lands; this number then dropped to 9 farmers; it currently appears that no farmer at all might remain landless; nonetheless, the agreement between NGGL and the stools of Kenyasi 1, Kenyasi 2 and Ntotroso remains valid, and about 460 acres of land are available; 60 acres have been cleared in the stock of land availed by the Kenyasi 2 stool (see photo plate at the end of this report);
- In addition to in-kind assistance (seedlings, fertilizers, weedicides), cash assistance is also paid to beneficiaries (traditional land access fee, land clearing fee, weeding assistance); about USD 135,000 has been paid by NGGL in cash assistance as of 31st Dec., 2006.

It is also observed that a limited number of eligible people did not register into AILAP, for reasons that remain unclear. It is understood that registration into AILAP will re-open for Phase 3 and that people may register later, but this would, however, need to be quantified and the reasons why have to be identified.

2.3.1.2 Actual Land Replacement and AILAP’s Contribution to Livelihood Restoration

AILAP fundamental objective is to assist affected people restore their stock of land and regain a level of agricultural production that would be comparable to the one they had on their affected land. Quantifying land replacement, and monitoring livelihood restoration insofar as it is related to land replacement, is, however, a difficult task in this project:

- The Project does not have a complete baseline of land holdings that were available to affected people before the mine took land; only those plots that were affected were measured and entered into the database of affected households;
- As shown in several occasions (see the “sharecropper” issue described in the previous section), affected people are not always straightforward about their real situation in terms of land holding; they generally tend to overstate potential hardship and understate the amount of land they really can access, in an expectation that this might help them earn additional compensation;
- The land holding situation may be more fluid than originally thought, with significant numbers of transactions going on, whereby people purchase, sell, inherit, exchange, rent, sharecrop, land on a routine basis.

To overcome this difficulty, it is proposed that one of the future replicate livelihood restoration surveys (see Section 4.3) should take the following approach:

- Identify a small sub-sample of affected people that would undergo a detailed investigation of land replacement,
- Investigate former land holdings for this sample (including database review and field review of any other, unaffected, fields),
- Investigate current land holdings (including unaffected fields, AILAP and other fields), and compare with the previous situation.

Such an investigation should be well explained to those to which it will be administered, so they understand they have nothing to gain from understating available land.

2.3.1.3 Procurement Groups

As briefly described in the previous report, NGGL has decided to procure seedlings required for AILAP assistance packages from local groups of farmers. A remarkable peasant farmer-based agri-business project has been built in a short period of time to meet this need:

- 42 procurement groups, usually formed of 12 to 20 local farmers, have been established and officially registered as businesses;
- These groups are monitored by OICI, which has provided training and registration facilitation,
- They have entered into a procurement contract with NGGL for the supply of batches of 30,000 cocoa or plantain seedlings; NGGL's procurement procedures, which were flagged as a concern by the previous external monitoring mission, have been simplified to accommodate the needs of "local-local" suppliers;
- Another 12 local businesses have also been hired to supply seedlings; it was observed during the reviewers' interviews with selected affected people that some individuals are also expecting to sell seedlings to groups or contracted businesses and have also embarked in seedling production;
- A great deal of enthusiasm and pride (see photo plate at the end of this report) was observed among group members; this is clearly a very positive initiative.

Several group members met by the reviewers have, however, indicated that they were concerned by the contract terms of payment. Contracts with NGGL provide for full payment only when the whole agreed quantity is delivered, with no interim payment upon partial delivery. This may be difficult for some groups. NGGL's position is that the inputs are required for AILAP beneficiaries in time for them to plant for the 2007 main farming season, and that a strong incentive has to be in place to ensure timely delivery by the procurement groups. Facilitating access to credit by groups from local banks would mitigate this difficulty. This would require NGGL to provide the bank with a letter confirming that a contract is indeed passed with these groups, thereby guaranteeing repayment of the loan. It is understood from NGGL that such steps are being taken.

2.3.2 Way Forward

Recommendations:

- R5-4. 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.
- R5-5. NGGL to facilitate access of procurement groups to credit.

2.4 FALLOW LAND STUDY

The RAP (Section 15 and elsewhere) states that:

Quote

"Fallow Land:

The Company has an overall commitment to ensure resettlers and relocatees have an equal or better quality of life as a result of the Project. About a third of Project affected land is fallow. The impacts on communities, families, and individuals from a loss of fallow are not known. The fallow land use system in the Mine Area will not be fully understood without further monitoring and study. The Company is not legally required to pay compensation for fallow land. The Company has paid compensation on crops claimed by farmers in the fallow. The Company also recognizes the individual and community importance placed on fallow land (i.e., land allocated to new family members for cultivation, collection of firewood, or additional income through exchange). The Company will undertake further study and analysis of fallow, with the objectives being:

- Understanding its role in the agricultural system,

- Assessing Project impact on fallow availability and use,
- Designing mitigation measures as appropriate.”

Unquote

Terms of Reference for the fallow land study have been developed in the last quarter of 2006. The external monitors assess these Terms of Reference as appropriate. It seems reasonable to undertake the fallow land study in the course of 2007, as AILAP’s possible impacts on land use need to be taken into consideration.

Recommendation:

R5-6. NGGL to implement the fallow land study in 2007.

2.5 REVIEW OF THE VULNERABLE PEOPLE PROGRAM

2.5.1 Status of the Vulnerable People Program

At the time of this review a total of 1968 Form ‘A’ have been completed for people who self-reported to the Vulnerable Program and from these 611 households had been registered with Form ‘B’. The latter represents more than 611 vulnerable people as in some households more than one person had registered under Form ‘A’. Detailed case reports – Form ‘C’ have been presented to the vulnerable working group and of these 292 households have been approved by the vulnerable committee as being eligible for the program, 36 household are to be revisited and 210 households have been assessed by the committee to be not vulnerable.

The Program not only provides a thorough investigation of eligibility but also of the type of assistance to be provided. Thus, a number of households that were declared vulnerable did not receive any food assistance as their needs were considered to be related to issues of lack of money, health services and school fees. The type of support given has also expanded over time, for example vulnerable households can now also receive treated mosquito nets free of charge. At the time of the 5th review, 254 households had received mosquito nets from the Program. Another aspect of the Program is that it is dynamic in its approach and vulnerable families are regularly reviewed to assess whether they are still eligible for the program and the type of assistance that should be given. Thus a total of 265 households had so far been recommended for assistance in the form of food baskets and assistance has been discontinued for a total of 86 households who have been determined no longer vulnerable by the Committee.

2.5.2 Some Noteworthy Achievements

As mentioned above the Vulnerable Program has given considerable attention to the design of support to be given to vulnerable people so that it is appropriate to their needs. Two particular cases are worth mentioning here:

- In addition to providing food packages, assistance has been given in helping people to make food supplements such as ‘winimix’, using locally found products this is a good way to increase the nutritional value of food intake.
- With the use of counseling, a young woman in the Ola resettlement site diagnosed as having tuberculosis who had been resigned to her illness was persuaded to undergo treatment and is now fully recovered. The monitoring team had a chance to visit this woman in the resettlement site and was impressed to hear from her the assistance given by the Vulnerable Program.

2.5.3 Monitoring Mechanisms

A monitoring mechanism has been developed whereby families which have been on the Vulnerable Program are visited by the program implementers and their livelihood conditions observed. As a part of this, a structured monitoring form is completed, in which information is collected on sources of income and also food availability. Using this information the vulnerable working group makes recommendations for removal or retention of households in the program and this is presented to the vulnerable working committee for approval. At present the

vulnerable committee is only required to formally approve of recommendations made by the vulnerable working group on discontinued participation of households from the program. Since discontinued participation from the vulnerable program is a very serious matter it would be useful if a final review was also carried out by the committee.

2.5.4 Other Issues for Consideration

- The counseling component of the assistance has been wide ranging and responsive to specific needs of vulnerable people/households as is illustrated in the example described above. It is potentially a component of the assistance package that could address in a sustainable way some systemic causes of vulnerability. As mentioned in the previous review, a sensible proposal has been put forward on the development of a counseling unit by the Brong Ahafo Regional Director of the Department of Social Welfare (recently retired) with assistance from other members of the vulnerable committee. A decision is still to be made on this proposal. The monitoring team urges that this be carried out as soon as possible.
- Of the case reports prepared so far, 210 households have been declared not vulnerable by the program implementers. These people have not yet been informed formally of their vulnerability status, unless they have demanded to know the results of the investigation. The main reason for this low key approach is to not provoke a negative reaction from these households. The program should consider with NGGL management what should be the best approach to informing households that were not declared vulnerable. It is a matter that needs to be considered with a long term perspective of NGGL relationship with the community.
- As mentioned in the previous review, the lack of a micro-credit component does tend to limit many of the income generating packages. Development of a micro-credit facility is discussed in more detail in Section 2.7.
- It has been proposed that vulnerable households should receive free water through a voucher scheme. The scheme is being explored at present.
- A continuous issue is the desire for all mine affected people to benefit from the Program. The program implementers with assistance from the communications department of NGGL external affairs have carried out a number of information dissemination exercises within the community. This is necessary and commended by the monitoring team. As mentioned in previous reviews it is something that the team will probably need to deal with over a long term basis.
- It was drawn to the attention of the Monitoring Team that the NGO Guards of the Earth and Vulnerable a key component of the implementing team, have yet to formalize an agreement or memorandum of understanding. Although individuals associated with monitoring the program are being remunerated by Guards of the Earth and Vulnerable, this does not negate the requirement for a agreement or memorandum of understanding. This is ten months since the start of the program and NGGL should formalize the agreement as soon as possible.

In this review, the monitoring team does not see the need to add too many new recommendations for the Vulnerable Program, but rather would urge that the previous recommendations all be addressed fully.

Recommendations:

- R5-7. NGGL should, as soon as possible, formalize an agreement or memorandum of understanding for Guards of the Earth and Vulnerable.
- R5-8. The vulnerable committee to also formally review households proposed for discontinued participation in the Program.

2.6 GRIEVANCE MANAGEMENT

2.6.1 New Grievance Management System

The external auditors are all the more pleased to report good progress on grievance management since this has repeatedly been flagged as unsatisfactory. A new logging and tracking system has been devised and is being put in place. This system, and the attached operating procedures, have been reviewed by the external reviewers, who found it sound and comprehensive:

- It is now planned to log most, if not all, grievances, whatever avenue they are expressed through,
- The computerized formats for logging and tracking grievances are good,
- Timeframes for acknowledging and processing grievances (respectively 1 week and 1 month) are reasonable and in line with usual good practice,
- The procedure anticipates that a dedicated grievance officer will be responsible to review grievances and allocate them to one officer for processing; this grievance officer will be answerable of compliance in timely processing grievances; in addition, a front desk officer will be based at the Kenyasi 2 camp gate, where most people actually come to lodge a grievance, and will log grievances for further action by the grievance officer;
- These two positions are yet to be filled, but the recruitment process has been launched, with requests for applications posted in the communities.

A few minor deficiencies were observed in the way some grievances are logged and tracked, with somewhat subjective or inaccurate wordings: for instance, any grievance should be either recorded as “pending” or “closed”.

2.6.2 Blasting Grievances

The external auditors have reviewed the status of blasting-related grievances. There are currently 137 grievances related with damage to buildings (usually cracks) allegedly caused by blasting at the Subika pit. All of these grievances are related to structures located in Kenyasi 2, in the area between the main road from Hwidem and the new by-pass to the North of the town. NGGL has taken the following steps to address these grievances:

- Facilitate the recruitment by the District Assembly of an Accra-based structural engineer (AES Limited) that investigated the damage and produced a report;
- Recruit an Australia-based consultant (John Heilig), who produced an interim report and participated in information sessions on blasting with local stakeholders;
- Obtain involvement of BRRI, a Government of Ghana organization, which is currently reviewing data, making field observations, and will produce an independent report.

The external reviewers are unable to assess the technical aspects of this matter. They observe that:

- The two reviews available (a presentation by John Heilig and the AES Ltd report) both mention that vibration levels are well below the most stringent international standards,
- They also indicate that other environmental factors, possibly cumulated with the vibration generated by blasting, may affect the stability of the structures, particularly:
 - o The nature and depth of the foundation, which are generally not appropriate, as well as construction methods;
 - o Differential settlement related to poor foundation and/or sub-soil conditions;
 - o The influence of adjacent roots;
- There is no baseline of the condition of cracked houses prior to the commencement of blasting operations, which makes it impossible to know when the cracks appeared and whether they have any relation to blasting.

The process put in place by NGGL is generally fine. As part of the expert’s review currently in progress, it is recommended to take a statistically representative sample of houses in an area that is far from the pits and therefore unlikely to be affected by blasting and to check these houses for cracks. This could help obtain a better understanding of the influence of environmental and structural factors on the presence of cracks.

Recommendation:

R5-9. NGGL to observe cracks in houses sampled in an area far from any blasting operation.

2.6.3 Conflict Management

The issues around conflict management have been discussed in the previous review. Please refer to the third and fourth monitoring review for further background. NGGL has explored a number of approaches to address conflict prevention and management. In this review the monitoring team was informed that the position (that is yet to be appointed) of a complaints and grievance officer would also be responsible for assessment of potential conflict situations. At this stage the monitoring team would concur with this approach given that it does not consider Brong Ahafo region to be high risk with regard to conflict. It would recommend however that two measures are taken:

- A six monthly review is carried out of community relations status with regard to conflict. This assessment should be carried out by the complaints and grievance officer in conjunction with the communications unit and NEAMU. A third party observer from the local community should be included in this exercise. An appropriate person would be someone well respected within the community but without affiliations to any particular group – for example a school headmaster or another well respected professional. This assessment should be documented and recorded by NEAMU.
- After one year, NGGL should review again whether it is still appropriate to continue to include conflict assessment within the role of the complaints and grievance officer or if a separate position should be created.

Recommendations:

R5-10. 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.

2.7 REVIEW OF THE LIVELIHOOD ENHANCEMENT AND COMMUNITY EMPOWERMENT PROGRAM (LEEP)

The different components of LEEP 1 have been progressing normally since the previous review. During this review, the external monitors paid specific attention to non farm “income-generating” activities, including grasscutter¹, poultry and pig rearing, bee keeping, and gari² preparation (see also photo plate at the end of this report).

The reviewers were favourably impressed by the good technical command displayed by individuals or members of groups involved in these activities. Training delivered by OICI has obviously been effective.

Number of items and inputs delivered by LEEP 1 as of December 2006 were reviewed by the monitors, and raise the following observations:

- all beneficiaries reside in Ntotroso or Ola resettlement sites; non-resettled affected people have not been benefiting from LEEP 1 for now;

¹ The grasscutter is a rodent similar in size to a rabbit.

² Gari is a common food in Ghana, it is prepared from grinded, fermented and cooked cassava.

- out of a total number of resettled households of 399, 219 households (55%) have benefited from the delivery of one or several items; OICI mentions difficulties in procuring some of the items (grasscutters for instance) as the main reason why a larger number has not benefited yet;
- in contrast, some households have received several items (up to 6 or 7 different items), according to criteria that are not necessarily clear.

The absence of a micro-credit facility attached to LEEP has been flagged as a deficiency by the reviewers in several occasions, in fact since the very first review in July/August 2005. It was observed during this review that such a mechanism is yet to be made available to groups engaged in LEEP-sponsored and other income-generating activities. It seems, however, that some progress has been made in discussing potential micro-credit arrangements with the Asutifi Rural Bank. Generally the proposed initiative and model of this micro-credit facility is not fully clear to the reviewers, and it is observed that there may be a need for more conceptual alignment between NGGL and OICI to ensure it functions and delivers expected service.

The reviewers will now expect verifiable results in making finance available to LEEP-sponsored groups. By next review, NGGL and OICI should make sure that their strategies on micro-credit are well aligned, and start implementing these strategies.

OICI has indicated that a mid-term evaluation of LEEP is going to take place shortly. The auditors had an opportunity to review the Terms of Reference prepared by OICI. These include a proposed level of effort (about 50 person-days in total). The ToR and proposed level of effort do not raise any major comment from the auditors.

Recommendations:

- R5-11. NGGL to finalize its micro-credit strategy and to ensure micro-credit is fully in place for LEEP groups by next external review.

3 BROADER COMMUNITY ISSUES

3.1 COMMUNITY ENGAGEMENT AND PUBLIC DISCLOSURE

3.1.1 Progress

Developments in the area of community engagement and public disclosure include:

- A stakeholder framework which identifies the different types of stakeholders and frequency and type of interaction with each. The list is comprehensive and inclusive. Stakeholders include organizations such as regulatory agencies, farmers groups and schools and teachers.
- Increased interaction between NGGL and local government, both elected and appointed.
- A quarterly Newmont Ahafo external newsletter has been initiated and the first edition was released in November 2006.
- An external website has also been developed for Newmont Ghana.

3.1.2 Current Approach and Long Term Strategy

With regard to personnel, the Communications Unit within External Affairs is well resourced with currently 20 people employed. At present the Unit provides support to programs when requested and this usually occurs when the program has been developed and there is a need for information dissemination. The Communications Unit is then able to develop a communications plan for the program which would also incorporate contacting the appropriate stakeholders. It is the view of the Unit that this approach is only partially effective and that a better approach would be for the Unit to be involved throughout program development from the initial stages onwards. This would enable programs to be designed in a participatory way with community input at all levels, ensuring a greater level of success. The monitoring team concurs with this view.

3.1.3 The Youth - Management of Expectations and Capacity Building

NGGL intends to have a long term involvement in the Brong Ahafo region. It thus needs to build a good working relationship with its neighbors which are the local people of the area. An important consideration in community engagement is the age group of stakeholders. It is particularly important in a long term project where the youth of today will be the adult neighbors in a few years time. This is something that was mentioned in the previous review. Over the course of the reviews, the monitoring team has noted two phenomena:

- School age children tend to know about Newmont and are generally positive about the Project and the benefits that it can bring to their community and country.
- The youth beyond school age who are now looking for some gainful employment are rather disgruntled with the lack of opportunities. In the absence of an alternative for them to vent their disaffection, they blame Newmont for their lot in life and expect that somehow the Company should find employment for them. This is clearly an untenable situation.

The monitoring team proposes that an outreach effort be established specifically for young people that would incorporate:

- Information sharing,
- General counseling to increase motivation,
- Promotion of linkages with income generation programs developed by other parties (Government, NGOs).

An outreach effort such as this may be developed in conjunction with the adult population within these communities. Problems with youth are common in situations of high unemployment and cases of break down in family structures. Presence of an organization like Newmont can create a level of dependency and expectations of an easy way out. The program would try to address these issues with practical support. It could be something that would not only assist young people but would help in creating a good relationship between Newmont and the future adult population of the communities around the mine. The complexity of such a program should not be underestimated and needs careful development in conjunction with the local people.

Recommendations:

- R5-12. Communications Unit of NGGL External Affairs to be involved from the initial stages of program development.

3.2 GENDER MAINSTREAMING

The Women's Consultative Committee has now been formally inaugurated. It consists of 65 elected member and 15 queen mothers. Recently the Committee took part in a two day capacity building and information sharing exercise. It was stressed during this meeting that the purpose of the committee was for it to be a joint information sharing forum and that it was not another program of assistance although it may facilitate access to other programs such as a micro-credit program when it is eventually in place.

Each member of the committee is required to go back to the community from which it was elected and to disseminate the information obtained from the meeting. At the time of the review, the monitoring team was informed that each committee member had identified a date and time when the information dissemination meeting was to be held following the capacity building exercise. As these are the first of these meetings, members of the Communication Unit will also attend to assist the committee members. NEAMU is also expected to attend these meetings. The committee members would then provide feedback to Newmont on reaction from the community. A number of factors indicate that the gender program has a good chance of being effective and these are:

- Elected members within the committee;
- Structured schedule created for the committee to feedback to the community;
- These sessions are to supported (at least initially) by the Communications Unit and NEAMU;

- The committee will provide feedback to NGGL on comments made by the community.

Overall the formulation of the gender program is sound, but it is important to ensure that it does not become sidelined. A challenge therefore is to ensure that the views presented by the women are actually considered in all areas of operations so that gender issues are mainstreamed into Project operations.

Recommendation:

- R5-13. 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.

3.3 NON-PAP PROJECT IMPACTED PEOPLE

Four specific issues were considered in this fifth review with regard to the communities around the water storage facility related to water, access, safety and transport.

Water: Eight standpipes have now been constructed in the communities around the Water Storage Facility (WSF). Each borehole serves a radius of 500m and there is on average 5 households per borehole. NGGL is developing a system of community ownership of the boreholes whereby one or two families are responsible for monitoring and checking each borehole and for keeping the surrounding area clean and tidy. Unfortunately not all of these standpipes are functioning properly and there have been various complaints from the communities. In some cases after 5-10 minutes of pumping the water that is produced is said to be dirty, in other pumps the water produced is malodorous, yet another problem is that there is no water produced at all. The monitoring team during a visit around the WSF indeed noted that in one case no water could be pumped from the borehole and in another it took a long time before any water was produced. NGGL have asked the contractors to check again all the boreholes and meanwhile the poly tanks are still operational.

Access: Night time access is a preoccupation of the communities and had been mentioned in the previous review. The communities are worried that if someone fell ill or an incident occurred whilst the NGGL transport is not operational it would be difficult to reach assistance. NGGL is trying to develop a community based response to this and have asked for proposals from the community for the development of local transport enterprises. Three proposals have been received and are currently being reviewed. These applicants have also been referred to the business advisory centre at the district assembly to help them develop their proposal further. The monitoring team endorses this approach to resolving the emergency access issue. It is a community based approach which encourages self-sufficiency and creates local employment and therefore has a good chance of being sustainable.

There are also plans to improve the general access in the area through additional access roads and also improvements to curves along the existing road around the WSF.

Safety: Patrol of the area around the WSF has been contracted out to an organization run by one of the local chiefs and there is now in place a 26 person patrol team which includes three women and three supervisors. Team members are from the communities around the WSF and work on a shift basis; in any one shift there are six people working in three areas, in teams of two. The monitoring team had the chance to meet with a supervisor and a number of the patrol team including two women. The patrol team consulted were content with the work arrangement and mentioned that at first it had been difficult to get people to cooperate but with time they had been able to convince people about safety measures around the dam.

Fears of snakes and crocodiles still exist but less than before. Some people have started to fish around the dam and NGGL are trying to put in measures to regulate it through proper rules so that it is both safe and beneficial to the community.

Transport: The bus service provided by NGGL is still operating and viewed by the community to be useful.

Other Developments: Two other developments are worth mentioning here:

- Links have been created between this community and AILAP and as discussed above a number of farmers are taking part in an income generation program to develop plantation suckers and cocoa seedlings for AILAP farmers.
- There are signs of development and increasing economic activity in the village of Dokyekrom in which the monitoring team had the opportunity to meet with a female entrepreneur who had just a few weeks before started a small household store with money from the Agricultural Development Fund.

3.4 EMPLOYMENT AND PROCUREMENT

3.4.1 Local Employment

The external auditors have reviewed current recruitment procedures aiming at maximizing local employment. The following has been noted:

- The “labour pool” that served as a database for local recruitment during construction has been transformed in a “local worker inventory”; for the most part, this inventory includes people who have already worked – and been trained – during construction; candidates’ qualification as being “local” has to be revalidated by local chiefs and District Assemblypersons; the whole process appears to be well managed;
- The External Affairs department of NGGL is involved in HR’s activities through a local employment coordinator and through NEAMU; this is also a positive development;
- As local employment is still a contentious issue, it remains desirable to keep all processes as transparent as possible. It is recommended that NGGL consider whether the local worker inventory should not be disclosed in neighbouring communities, and possibly whether audits of the recruitment process involving external stakeholders could also help build more confidence in the process.

Recommendation:

- R5-14. Consider enhancing transparency of the workers’ selection process, with possibly:
- Public disclosure of the lists of people in the local worker inventory,
 - External audits with involvement of independent stakeholders such as local chiefs, and possibly union leaders when the union group is fully established at Ahafo mine

3.4.2 Local and “Local-Local” Procurement

One important development since the reviewers’ previous mission is the launching of a joint IFC/NGGL initiative, the SME linkages program. Two business development specialists (one from IFC, one from NGGL) have been in place since early January 2007 to prepare this program. Businesses targeted by this program are small and medium businesses that can participate in NGGL’s supply chain. The principles underlying this project appear to be sound and the preparation process is progressing smoothly, with realistic milestones (about 3 to 4 months of preparation of a detailed action plan, then a first phase of implementation).

Potential overlaps with other on-going programs that, to some extent, also aim at business development will need to be addressed (LEEP and AAGI). It is also important that the extensive experience NGGL has of the area be shared with staff preparing the SME Linkages program.

The SME Linkages program is not expected to address “local-local” procurement. Good results in this respect have, however, been obtained through the involvement of local farmers groups in AILAP-related procurement, as described above in section 2.3.1.3.

3.5 SUSTAINABLE COMMUNITY DEVELOPMENT PLAN

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. Key areas such as schedule and budget have yet to be developed. This draft is a good start for the development of a long term program of interaction between NGGL and its neighbors – the community. The monitoring team hopes to see a more complete draft in the next monitoring review and will make further comments at that stage.

4 MONITORING & EVALUATION

4.1 NEAMU

NEAMU (NGGL External Affairs Monitoring Unit) is now well in place, with dedicated staff, office space and other resources accordingly. NEAMU has agreed with other units in NGGL on a list of 19 domains, as follows:

- 1- Cash Compensation Utilization
- 2- Resettlement Communities
- 3- Land
- 4- Complaints/Grievances
- 5- Unintended/Unanticipated Impacts
- 6- Stakeholder Consultation, Knowledge & Awareness
- 7- Food Security
- 8- Health
- 9- Water & Sanitation
- 10- Local Employment & Business Opportunities
- 11- Local Economy
- 12- Household Demographics & Socio-economy
- 13- Social Integration
- 14- Education
- 15- Vulnerables
- 16- Gender
- 17- Environment
- 18- Livelihoods
- 19- Youth

Each of these domains is supposed to be addressed in a specific monthly monitoring report. A matrix of about 145 indicators, to be generated bi-monthly, monthly or quarterly, has also been developed in support of the monitoring framework.

The reviewers were pleased to observe that NEAMU has generated the Q4, 2006, Internal Monitoring Report, in conformance with a previous recommendation. This report is comprehensive and of good quality.

The external monitors are still concerned that the amount of information generated may be too large to be processed, interpreted and managed effectively. They would like to encourage NEAMU to simplify the general monitoring framework through the following possible ways:

- Group some of the 19 domains together,
- Reduce the frequency of reports to match the actual requirements of the domain (for instance “Local Economy” could be monitored at a six-monthly interval, whereas “Complaints and Grievances” needs a higher frequency),
- Reduce the number of indicators, at least in a first stage.

Recommendation:

R5-15. NGGL to consider simplifying further the monitoring framework, by reducing the number of domains and indicators.

4.2 DATABASE

The reviewers understand that NGGL is about to enter into an agreement with a specialized service provider for the upgrade of the database and its integration into a more comprehensive information system. The system that is contemplated has been tested at another Newmont project site in Ghana. In the meantime, an interim database has been developed. This upgraded database will be migrated into the new system once it is in place.

4.3 SOCIO-ECONOMIC MONITORING SURVEYS

OICI has produced the final report of the March-April 2006 monitoring survey. The opinion and recommendations expressed by the external auditors based on a review of a draft version and presented in the report of the previous review remain valid. Essentially, objectives should be clarified, possibly along the following lines (see the previous report for more details):

- Objective 1: Monitoring of livelihood restoration;
- Objective 2: Provide information for short and mid term strategic planning;
- Objective 3: Monitor the community for potential difficulties, conflicts and hardship

The reviewers agree with the frequency of replicate monitoring surveys proposed by NGGL (two a year – one in the lean season, one in the good season). It is proposed, in complement to recommendation 4.16 of the previous mission, to focus the next two campaigns of quantitative surveys on livelihood restoration, and to simplify the questionnaire accordingly. In addition, as mentioned above (see 2.3.1.2 and recommendation R5-4), these two next campaigns of surveys should include a specific exercise focusing on land replacement.

Recommendations

R5-16. 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 (*carried over from previous review in a slightly different form*)

R5-17. NGGL to focus the next campaigns of survey on livelihood restoration and land replacement.

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 (May 2006) concluded were still pending:

Table 2: Summary of Recommendations Made in the Previous Reviews

Review	#	Issue	Recommendations	Status
May 06	R3-1	Water at resettlement sites	NGGL with Community, Water Board and Committees, CWSA and possibly consultant, to implement and document the way forward detailed above, including review of technical problems, enhancement of management capacity, monitoring and users awareness.	<u>Closed</u> Superseded by Recommendation R5-1 of this review
May 06	R3-2	Land Access	NGGL to clarify messages related with the occupation of Royal Lands, particularly in respect of the two years duration, as well as the linkage between the AILAP and the Vulnerable People Program related with this safety net.	<u>Closed</u> Generally clarified
May 06	R3-3	Land Access	NGGL to make sure that suppliers are available and prepared to deliver in time the large quantities of agricultural inputs that are required.	<u>Closed</u> Farmers groups have been organized and are producing. Procurement procedures have been simplified and contracts passed
May 06	R3-10	Vulnerable People	NGGL to make sure that counselling activities are defined in greater detail.	<u>Pending</u> The team has a pro-active and flexible approach, but no specific guidelines set. The proposal put forward for the development of a counseling unit is still under consideration.
May 06	R3-13	Grievances	NGGL to integrate grievance management requirements into the scope of work for provision of GIS and database-related services.	<u>Closed</u> Interim database being developed, new system will be procured in 2007 and does include grievance management
May 06	R3-16	Land Titles	NGGL to facilitate computerization of the production of the indentures by the Sunyani Branch of the Lands Commission.	<u>Closed</u> Indentures have been produced
May 06	R3-17	Land Titles	NGGL to communicate on the annual rent that resettlers will have to pay to the Office of the Administrator of Stool Lands once the leases are issued.	<u>Closed</u> Done

Review	#	Issue	Recommendations	Status
May 06	R3-19	Non PAP Project-Impacted People	<p>NGGL to develop a strategy for identification, documentation and mitigation of impacts for all non- PAP impacted communities. This plan should:</p> <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	R3-20	Non PAP Project-Impacted People	Where mitigation measures are already in place such as the bussing arrangement, NGGL to establish key indicators and collect information such as the number of journeys made, route taken, number of school children transported, number of non-school children transported and purpose of visit if available. This information should be collected by weekdays and be disaggregated by gender	Closed Done
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
May 06	R3-25	Local Procurement	<p>NGGL to develop supply side support for local people and businesses so that they can effectively take up procurement opportunities. Different approaches to applying this support should be explored including implementation through an enhanced LEEP. SME support has also been promised by the International Finance Corporation. Specific activities that should inform a supply side intervention program include:</p> <ul style="list-style-type: none"> - an inventory of the relevant businesses and individual enterprises that are available in the local area; - their level of development and skills base; - organizational capacity to set up co-operatives. 	Closed AILAP procurement plan being implemented SME linkage program with IFC now in place – business inventory and capacity assessment is on-going
Sept 06	R4-1	Water supply at resettlement sites	Continue to implement recommendations of the previous review related with the management of the water systems at Ola and Ntotroso.	Closed Superseded by Recommendation R5-1 of this review
Sept 06	R4-2	AILAP	NGGL to clarify with traditional authorities that people eligible to allocation of stool land will be able to farm for two full years from the date of actual land allocation	Closed Done
Sept 06	R4-3	AILAP	NGGL and OICI to review the farmers groups procurement strategy and consider contracting a small number of umbrella organizations rather than individual groups	Closed Procurement procedures have been simplified and contracts passed
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)	Pending Micro-credit still not in place
Sept 06	R4-5	Assistance to Vulnerable People	NGGL to make sure that any monitoring activities carried out by the Vulnerable Program are systematically recorded.	Closed Done
Sept 06	R4-6	Grievance Management	NGGL to demonstrate significant progress on grievance management by next external review	Closed Significant progress has been made

Review	#	Issue	Recommendations	Status
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. 	<u>Pending</u> Mid-term review to take place shortly
Sept 06	R4-8	LEEP	Recruit a Ghanaian micro-credit expert to develop a pilot micro-credit scheme to be tested on a suitable group before implementing on a wider scale	<u>Closed</u> Superseded by recommendation R5-8 of current review
Sept 06	R4-9	Community Consultation and Engagement	NGGL to review and revise the current public consultation and disclosure plan into an on-going program to be implemented during Operations. A part of this would be to formulate a stakeholder engagement action plan which identifies and categorises all the different types of stakeholders, e.g. resettlers, NGOs, Kenyase residents etc. and the different consultation exercises that will be carried out with each stakeholder group over time, the purpose of the exercise and tools used. This action plan can be written in tabular form. (carried over from last review)	<u>Closed</u> Done
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>Ongoing</u> Significant steps have been taken such as the development of an external newsletter. Issues regarding youths need further development.
Sept 06	R4-11	Community Consultation and Engagement	NGGL to review the catchment area for blasting notifications.	<u>Closed</u> Done
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	<u>Pending</u> Included in the 2007 communication plan
Sept 06	R4-13	Very Local Procurement	NGGL's External Affairs Department to work with Procurement to review procurement requirements for local small businesses	<u>Closed</u> Done
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. 	<u>Pending</u> There have been some revisions to the approach; the grievance officer could also be responsible for conflict awareness.
Sept 06	R4-15	Monitoring & Evaluation	NEAMU to progressively take over responsibility for production of the internal monitoring report	<u>Closed</u> Done

Review	#	Issue	Recommendations	Status
Sept 06	R4-16	Monitoring & Evaluation	NGGL to clarify household monitoring objectives and to revisit its household survey strategy accordingly, based on a feasible frequency (6-monthly as a maximum, possibly less) and 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>Closed</u> Done for the frequency – Superseded by recommendation R5-7 of the current review
Sept 06	R4-17	Monitoring & Evaluation	NGGL to consider NEAMU’s participation in Committee meetings and other engagement opportunities with different stakeholders, to enable NEAMU to gather qualitative monitoring information systematically	<u>Closed</u> Done

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
5 (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.	Medium	Q2, 2007
5 (Jan. 07)	R5-2	Resettlement Sites	NGGL to measure performance indicators for water systems as per Appendix 2 of this report.	Medium	Q1, 2007
5 (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.	High	Q1, 2007
5 (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.	High	Q2, 2007
5 (Jan. 07)	R5-5	Land access and AILAP	NGGL to facilitate access of procurement groups to credit.	Medium	Immediate
5 (Jan. 07)	R5-6	Land access and AILAP	NGGL to implement the fallow land study in 2007.	High	Q2, 2007 – Q4, 2007
5 (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.	Medium	Immediate
5 (Jan. 07)	R5-8	Vulnerable people	Vulnerable committee to also formally review households proposed for removal from the Program.	Medium	Q2, 2007
5 (Jan. 07)	R5-9	Grievance management	NGGL to observe cracks in houses sampled in an area far from any blasting operation.	Medium	Q2, 2007
5 (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.	Medium	Q2, 2007

Review	#	Issue	Recommendation	Priority	Time frame for start of implementation
5 (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.	High	Q1, 2007
5 (Jan. 07)	R5-12	Community engagement	Communications Unit of NGGL External Affairs to be involved from the initial stages of program development.	Medium	Q2, 2007
5 (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.	High	Q2, 2007
5 (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, - External audits with involvement of independent stakeholders such as local chiefs, and possibly union leaders when the union group is fully established at Ahafo mine 	Medium	2007
5 (Jan. 07)	R5-15	Monitoring	NGGL to consider simplifying further the monitoring framework, by reducing the number of domains and indicators.	Medium	Q2, 2007
5 (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 (<i>carried over from previous review in a slightly different form</i>).	Medium	Q2, 2007
5 (Jan. 07)	R5-17	Monitoring	NGGL to focus the next campaigns of survey on livelihood restoration and land replacement.	High	Q2, 2007

Registered group of 18 seedling producers near the Water Storage Facility (near Dokyekrom village)

Another group of seedling producers near Tano River East of Ntotroso town – 30,000 cocoa seedlings

A view of stool lands made available to landless farmers. Large trees have been cleared, but brush remains to be cleared

Ola resettlement site – Group of LEEP-sponsored women producing gari from cassava



Piglets and mother at the pigsty of a pig-breeders' group in Ola resettlement site – LEEP has provided training, live animals to start and the structure



Individual beehive near Ola resettlement site – this is also an activity sponsored by LEEP

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).

APPENDIX 2: MONITORING OF WATER SYSTEMS

The following indicators should be calculated for each of the two water systems:

- Ratio of cumulated water distribution at all taps (sum of meter readings for all taps, in m3) to water production (reading at the main meter upstream the main storage tank or immediately downstream the main storage tank, in m3): this will provide a measure of “technical leaks” (actual leaks of water from the system), if any; for new systems, such as the ones in Kenyasi 2 and Ntotroso resettlement sites, this ratio should be higher than 90%;
- Ratio of monthly cumulated total revenue (Cedis) to monthly overall water production (m3) and comparison with the agreed selling price at the tap (100 Cedis for 18 liters, i.e. 555 Cedis per cubic meter); if this ratio is significantly lower than 555 Cedis / m3, this means that there is “Non-Revenue Water”; “Non-Revenue Water” is water that is produced but not sold; CWSA’s standard for Non-Revenue Water is 5%, which is quite low and may be difficult to achieve; however, if Non-Revenue Water is more than 20%, an investigation of causes must be made; these may include:
 - Technical leaks (see above),
 - Non technical leaks:
 - Water is distributed at the taps but not sold, for reasons that need to be understood,
 - There is a discordance between agreed bucket capacity (18 liters) and actual bucket capacity (higher than 18 liters);
- Water distributed at each tap (m3) and ratio of revenue by tap (Cedis) to water distribution at that tap (m3), and comparison with the agreed selling price: this will help understand the performance of the different vendors, particularly if problems are identified in one of the stages above;
- Overall monthly volume of water distributed per inhabitant (liters per capita per day): in communities like those interested by these water systems, a typical number would be around 20 lpcd; if this indicator were as low as 10 lpcd, this would clearly flag an affordability issue (water is too expensive for people to afford it); seasonal fluctuations of this indicator will help understand how people use other sources of water at certain periods of this year; it may be useful in terms of measuring public health impacts to monitor the fluctuation over several years.