

**NEWMONT GHANA GOLD LTD - AHAFO SOUTH PROJECT**  
**INDEPENDENT MONITORING OF RESETTLEMENT IMPLEMENTATION**  
**2<sup>nd</sup> REVIEW – DECEMBER 2005**

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## **1 INTRODUCTION**

### **1.1 SCOPE OF THE REVIEW**

The Ahafo South Gold Mining Project (“the Project”) entails significant displacement impacts. Construction of the Project by Newmont Ghana Gold Ltd (NGGL, “the Company”) has been on-going since April 2004, and compensation and resettlement activities have proceeded to make an inhabited area roughly 3000 hectares in surface available for construction. A Resettlement Action Plan has been prepared by planning Alliance of Toronto, and disclosed to the public<sup>1</sup> on August 29, 2005 for a period of 120 days. The resettlement implementation is monitored by an independent resettlement specialist, Frédéric Giovannetti, under contract with Newmont. A first review took place from July 27 to August 3, 2005. The report of this review is publicly available at [www.newmont.com](http://www.newmont.com) and [www.ifc.org](http://www.ifc.org). A second review took place from December 8 to December 13, 2005. These reviews were undertaken based on Terms of Reference (ToRs) jointly prepared by Newmont and the IFC. In summary, these ToRs require the reviewer to monitor compliance of the resettlement implementation with OD 4.30, the applicable IFC policy on involuntary resettlement, with focus on:

- Adequacy of impact identification,
- Delivery of compensation and resettlement entitlements,
- Livelihood restoration,
- Adequacy of consultation.

<sup>1</sup> The full RAP is available electronically at [www.newmont.com](http://www.newmont.com) and [www.ifc.org](http://www.ifc.org), and paper copies are available in a number of locations in the Project area.

The reviewer’s activities during his stay in Ghana included the following:

- Visits to both resettlement sites of Kenyasi and Ntoroso,
- 11 interviews with affected households, including:
  - Resettlers at both resettlement sites,
  - Relocatees (households having opted for cash compensation rather than resettlement),
- Interviews with resettlement team members,
- Interviews with representatives of OICI, the NGO tasked with implementing the Livelihood Enhancement and Community Empowerment Program (LEEP),
- A “wrap-up” meeting with the resettlement team.

NGGL provided logistics and facilitation to the reviewer. Meetings and interviews were facilitated by Project personnel, and an independent interpreter assisted the reviewer.

## 1.2 SUMMARY STATUS OF RESETTLEMENT AND COMPENSATION

### 1.2.1 Key Figures

Land acquisition required for the development of the Ahafo South Project entails the following impacts on people, land and fixed assets (**Table 1**, source: RAP, 29 Aug. 2005, planning Alliance) :

**Table 1: Summary of Project Impacts on People, Land and Structures**

<b>PEOPLE</b>	<b>Households</b>	<b>Individuals</b>
Total number of affected people	1,701	9,575
Of which:		
• Residents:	823	5,185
• Of which:		
• With primary residence in the mine take area	399	2,594
• With primary residence elsewhere	424	2,586
• Non-Residents:	878	4,390
<b>LAND</b>	<b>Fields</b>	<b>Surface (acres)</b>
Affected land	7,513	4,708
<b>STRUCTURES</b>	<b>Number of buildings</b>	
Affected structures	1,568	
Of which:		
• Complete structures	869	

### 1.2.2 Summary Progress

The following table shows the present status of some critical progress indicators (**Table 2**, source: NGGL and planning Alliance):

**Table 2: General Summary of Compensation and Resettlement Progress – 30 Nov. 2005**

<b>Indicator</b>	<b>Objective</b>	<b>Done</b>	<b>Percentage of completion 30 Nov. 2005</b>
Number of fields compensated	7,513	7,507	99.9%
Number of buildings compensated	1,568	1,568	100%
Number of resettlement houses built	406	379	93%
Number of resettlement houses taken possession of by their owners	406	354	87%

The status of the different components of cash compensation is shown in **Table 3** (source: NGGL, planning Alliance – 30 Nov. 2005):

**Table 3: Summary of Cash Compensation**

	<b>Unit</b>	<b>Number compensated</b>	<b>Amount paid USD</b>
Crop compensation	Fields	7,507	<b>\$13,286,538</b>
Structure compensation (mainly non residential structures such as pens, wells etc...)	Structures	173	<b>\$55,772</b>
Relocation compensation plus mobilization allowance	Households	377	<b>\$1,185,994</b>
Rental allowance plus mobilization allowance	Households	196	<b>\$90,643</b>
Resettlement compensation	Households	84	<b>\$13,808</b>
Business compensation	Businesses	26	<b>\$30,190</b>
Total Amount Cash Compensation 30 Nov. 2005	US Dollars		<b>\$14,662,945</b>

## **2 FOLLOW-UP ON PREVIOUS RECOMMENDATIONS**

The following table (Table 4) presents the progress on recommendations made as a result of the July/August 2005 review.

**Table 4: Follow-up on Previous Recommendations**

<b>Date</b>	<b>#</b>	<b>Recommendation (Excerpt from previous report)</b>	<b>Progress</b>	<b>Status</b>	<b>Way Forward</b>
08/05	1	Company to formalize compensation of impacts to small businesses in the final RAP and in the GLAC currently being finalized. Compensation in cash of each individual affected by the loss of business should be calculated as a function of the loss of income.	Businesses have been identified and compensated. Loss of income during the period of disturbance, immoveables, and cost of move were taken into consideration.	<b>Closed</b>	Finalize compensation of the one last remaining business <sup>3</sup> .
08/05	2	Company to take the opportunity of the current revision and finalization of the RAP to improve and strengthen its vulnerable people policy. It is recommended: <ul style="list-style-type: none"> <li>- to develop household vulnerability criteria,</li> <li>- to involve the community in developing these criteria,</li> <li>- to identify vulnerable people by application of the above criteria, including both resettlers and relocatees, and to involve the community in this identification exercise,</li> <li>- to devise support measures, which could include, amongst others: <ul style="list-style-type: none"> <li>o Provision of poultry / sheep, and related training,</li> <li>o Provision of garden plots, of seeds and small tools, and of related training,</li> <li>o Only where needed, food assistance,</li> </ul> </li> <li>- to devise vulnerable people monitoring measures, within the general monitoring framework.</li> </ul>	Preliminary identification of vulnerable people done by NGGL and OICI. Yet to be refined. Mechanism of community involvement in identifying, assisting, and monitoring vulnerable people not in place. Typical assistance measures yet to be identified, consulted upon, and implemented.	<b>Pending</b>	Implement recommendation 2 of August 2005 review.
08/05	3	Company to assist resettlers in putting in place a Water and Sanitation Committee, following rules and procedures established by the Community Water and Sanitation Agency of Ghana. Company to train tap caretakers, and WatSan Committee members.	WatSan Committees formed and trained by OICI at both resettlement sites. Operation of both water systems is satisfactory, after some initial difficulties.	<b>Pending</b>	Reinforce message that water has a cost and this cost must be borne by the users in conformance with current Ghanaian Government policies. Monitor water sales and money management by WatSan committees. Consider giving an incentive to Committees as a function of their sales.
08/05	4	Company to monitor erosion on the resettlement sites during the next rainy seasons, strengthen erosion control measures if needed, and mitigate the impacts of erosion (check drains for clogging, check structures for potential damage.)	Adequate measures taken to control erosion at both resettlement sites, including, amongst others, grass and tree planting.	<b>Closed</b>	

<sup>3</sup> This business is a bamboo plantation for which a specific valuation method needed to be established.

Date	#	Recommendation (Excerpt from previous report)	Progress	Status	Way Forward
08/05	5	Company to make sure that the contractor in charge of construction of the school at Kenyase 2 resettlement site will be able to complete the building by September 12, 2005.	The school was not completed by September 12, 2005. Schoolchildren living at the Ola resettlement site continue attending the Kodiwohia school. They are bussed from Ola and their parents receive a lunch allowance of GHC2,000 per child per day. The Ola school will start operating after the Christmas holiday.	<b>Closed</b>	Solutions remain to be found for about 40 children currently schooled at Kodiwohia school, which is to be demolished shortly, but whose parents are not resettled. The issue is identified, NGGL has been working on solutions and needs to finalize them.
08/05	6	Company to pro-actively identify and inventory petty defects in resettlement houses and get Contractors to fix them before the guarantee period ends.	Inspections are in place to ensure that petty defects are identified and fixed. The number of complaints related with such defects has decreased.	<b>Closed</b>	Make sure that inspections take place prior to the expiry date of the 6-month defect liability period.
08/05	7	<p>Company to take steps shortly to implement the land replacement strategy outlined in the draft RAP (described above), including the following:</p> <ul style="list-style-type: none"> <li>• Refresh consultation of traditional chiefs on this particular issue, reassess the practicability of the draft RAP strategy (particularly modalities related with the “facilitation fee” mentioned in the draft RAP), and fine-tune it accordingly,</li> <li>• Create the land bank mentioned in the draft RAP, in cooperation with chiefs, including land inside the mining area that will not be used immediately, and any available land identified outside the mining area close to the resettlement sites,</li> <li>• Expand the existing household database to monitor the progress of securing replacement land on a household by household basis,</li> <li>• Reflect this priority in resources, and consider dedicating one senior officer to this task full time, potentially through a transfer from the crop compensation team that may become less busy in the near future, with appropriate support from the database team</li> </ul>	<p>Little progress made to ensure and facilitate access of affected people to alternative land:</p> <ul style="list-style-type: none"> <li>• Little action taken in the direction of Chiefs and traditional landowners,</li> <li>• The Land Bank (identifying land potentially available inside and outside of the Mine Concession) is not in place,</li> <li>• Dedicated staff to deal with land replacement not in place.</li> </ul> <p>A survey of land access by OICI indicates that as many as 53% of interviewed resettlers in Kenyase 2 and 37% in Ntotoso state that they have no land to cultivate. Efforts to-date are assessed as insufficient. Some affected people may soon be at risk of economic hardship.</p>	<b>Pending</b>	<p>The reviewer acknowledges the complexities of the land issue and the need for a cautious approach. However, risks to affected people and to the Project require land replacement to be made a top priority as of the first quarter of 2006.</p> <p>It is recommended to prepare a brief action plan with milestones within Q1, 2006, that should include details on the general strategy presented in the RAP:</p> <ul style="list-style-type: none"> <li>• <u>Land offer</u>: Reach out to Chiefs and landowners, and put in place a bank of available plots inside and outside the Mine Concession,</li> <li>• <u>Land demand</u>: Group resettlers interested by land under their sub-chiefs and chiefs, and put in place a list of demand,</li> <li>• <u>Facilitation strategy</u> (for example assistance to clear elephant grass on fallow or uncultivated land, provision of seedlings of cash crops or subsistence crops, provision of technical assistance through LEEP),</li> <li>• Redeployment of compensation staff to take care of replacement land in priority,</li> <li>• Consultation activities.</li> </ul>

Date	#	Recommendation (Excerpt from previous report)	Progress	Status	Way Forward
08/05	8	Company to prepare and disclose a request for proposals for the development and implementation of a micro-credit scheme, targeting affected people in priority. Company to make funds available for the initial establishment of this micro-credit scheme.	OICI will administer a micro-credit scheme targeting specifically affected people. It is expected that this scheme will be operational in Q1, 2006. Approach is assessed as sound, including in respect of the interaction between micro-credit and other LEEP activities such as support to income-generating activities and training. Newmont's financial commitments to supporting micro-credit activities are reflected in the published RAP.	<b>Closed</b>	
08/05	9	Company to clarify which avenues are actually available to lodge grievances, and make this known to affected people (contractors should be excluded of grievance management).	Affected people met appear to know which avenues are available to lodge complaints. Specific measures put in place to handle complainants' in-flux at Kenyase 2 camp every morning are adequate.	<b>Closed</b>	
08/05	10	Company to improve the documentation related with grievance management, as follows: <ul style="list-style-type: none"> <li>• Register all grievances (simple Excel file),</li> <li>• Introduce an [Open / Closed] status, develop criteria for grievance closure, and monitor the number of open and closed grievances on a monthly basis,</li> <li>• Document allocation of grievances to staff members and follow up actions,</li> </ul>	Some progress has been made in registering more grievances (allocation to staff member is now clear and [Open / Closed] status is now available. The logging system needs however to be further improved. Letters and events are logged rather than grievances, and the numbers of open grievances may not always be significant as a result.	<b>Pending</b>	Improve the grievance logging system to allow for: <ul style="list-style-type: none"> <li>• Follow-up of successive letters and events related with one single grievance in one grievance record,</li> <li>• Clear relation between electronic log and filed paper documents.</li> </ul>

### **3 OTHER ISSUES**

#### **3.1 LAND TITLES**

Progress on delivering land occupation certificates to resettlers has been slow. The Lands Commission office in Sunyani is responsible of issuing these documents, which will ascertain resettlers' tenure rights (a 99-year lease), and Newmont pays for the whole process. The Lands Commission office has issued 57 letters to resettlers, confirming that their application was considered, but not the final title deeds. The reason for this delay was a shortage of lease application forms.

To expedite this process, it is recommended that potential gaps in the capacity of the Lands Commission to process these titles should be assessed, and addressed by Newmont if necessary (for instance: temporary secondment of administrative staff, computer equipment).

#### **3.2 MONITORING & EVALUATION**

##### **3.2.1 Overview**

RAP monitoring as per the RAP includes:

- Internal monitoring, intending at generating progress and result indicators;
- External monitoring, with a focus on compliance.

Newmont currently considers establishing a Monitoring Unit to take care of RAP monitoring as well as monitoring of a number of other broader social issues.

##### **3.2.2 Internal RAP Monitoring**

###### *3.2.2.1 RAP Indicators and Quarterly Report*

The RAP (Chapter 15, Figure 30) commits the Company to monitor a number of simple progress and result indicators at certain frequencies (usually monthly or quarterly). These indicators must be generated in conformance in the RAP. The RAP also commits the Company to produce a quarterly report, that will be used internally, communicated to the lenders and used by the external monitoring mechanism. A structure for this report has been developed and is presented in Annex 2. The Company must put this mechanism in effect, and the first quarterly report must be produced for Q1, 2006. It must be decided whether the monitoring of social issues not related with resettlement (such as employment, community health, community safety, public consultation) and addressed in the Project ESIA, will be reported in the same report or separately.

###### *3.2.2.2 Annual Household Surveys*

The Monitoring & Evaluation chapter of the RAP makes provision for annual sample household surveys, the main objective of which is to monitor livelihood restoration and PAPs' satisfaction. This conforms to usual practice and is sufficient. The first of these surveys should preferably take place in the first half of 2006.

A specific mechanism, with a higher monitoring frequency, must in addition address vulnerable people, as mentioned above and in the previous report. Rather than using questionnaires administered by Project representatives, it is recommended to involve community representatives in this particular exercise, in the form of two dedicated committees, one for Kenyase 2 and one for Ntotroso.

##### **3.2.3 External RAP Monitoring**

The next reviews will take place in April and July 2006. The internal monitoring report must be available prior to these reviews. The terms of reference for external monitoring will be finalized shortly.



## 4 CONCLUSIONS AND SUMMARY OF 2<sup>ND</sup> REVIEW RECOMMENDATIONS

### 4.1 SUMMARY OF RECOMMENDATIONS OF 2<sup>ND</sup> REVIEW

The following table (**Table 5**) presents the summary of recommendations, including:

- those from the previous review that are yet to be completely implemented,
- new recommendations arising from this review.

Recommendations are prioritized as follows:

**High:** Actions that are critical to ensure compliance with commitments contained in the RAP, ESAP or World Bank Group OD 4.30

**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

**Table 5: Summary of Recommendations**

Review	#	Issue	Recommendations	Priority
08/05	2	Vulnerable persons	<ul style="list-style-type: none"> <li>• Company to develop household vulnerability criteria,</li> <li>• Company to involve the community in developing these criteria,</li> <li>• Company to identify vulnerable people by application of the above criteria, including both resettlers and relocatees, and to involve the community in this identification exercise,</li> <li>• Company to devise support measures, which could include, amongst others:               <ul style="list-style-type: none"> <li>• Provision of poultry / sheep, and related training,</li> <li>• Provision of garden plots, of seeds and small tools, and of related training,</li> <li>• Only where needed, food or cash assistance,</li> </ul> </li> <li>• Company to devise vulnerable people monitoring measures, within the general monitoring framework.</li> </ul>	High
08/05	3	Water and Sanitation Committees	<ul style="list-style-type: none"> <li>• Company to reinforce message that water has a cost and this cost must be borne by the users in conformance with current Ghanaian Government policies.</li> <li>• Company to monitor water sales and money management by WatSan committees.</li> <li>• Company to consider giving an incentive to Committees as a function of their sales.</li> </ul>	Medium

Review	#	Issue	Recommendations	Priority
08/05	7	Land replacement	<ul style="list-style-type: none"> <li>Company to make land replacement a top priority for the first quarter of 2006.</li> <li>Company to prepare a brief action plan with milestones within Q1, 2006, that should include details on the general strategy presented in the RAP:                             <ul style="list-style-type: none"> <li><u>Land offer</u>: Reach out to Chiefs and landowners, and put in place a bank of available plots inside and outside the Mine Concession,</li> <li><u>Land demand</u>: Group resettlers interested by land under their sub-chiefs and chiefs, and put in place a list of demand,</li> <li><u>Facilitation strategy</u> (for example assistance to clear elephant grass on fallow or uncultivated land, provision of seedlings of cash crops or subsistence crops, provision of technical assistance through LEEP),</li> <li>Redeployment of compensation staff,</li> <li>Consultation activities.</li> </ul> </li> </ul>	High
08/05	10	Grievances	<p>Improve the grievance logging system to allow for:</p> <ul style="list-style-type: none"> <li>Follow-up of successive letters and events related with one single grievance in one grievance record,</li> <li>Clear relation between electronic log and filed paper documents.</li> </ul>	High
12/05	1	Land titles	<ul style="list-style-type: none"> <li>Company to make sure that the process of issuing land titles for resettlers is expedited,</li> <li>Company to assess potential gaps in the capacity of the Lands Commission to process these titles,</li> <li>Company to address these gaps if necessary (for instance: temporary secondment of administrative staff, computer equipment).</li> </ul>	Medium
12/05	2	Monitoring	<p>As of 1<sup>st</sup> quarter 2006:</p> <ul style="list-style-type: none"> <li>Company to generate monitoring indicators as per the RAP Figure 30</li> <li>Company to produce quarterly report as per structure in Annex 2</li> </ul> <p>In 1<sup>st</sup> half of 2006:</p> <ul style="list-style-type: none"> <li>Company to organize 1<sup>st</sup> livelihood restoration monitoring household survey</li> <li>Company to develop specific monitoring mechanism for vulnerable people, based on community involvement in the form of two dedicated committees, one for Kenyase 2 and one for Ntotroso.</li> </ul>	Medium

## 4.2 CONCLUSIONS

The Company has now almost completed the “physical” phase of the RAP implementation, including compensation of crops, structures and physical resettlement. As with any program of this kind, there needs to be from now on a change in the resettlement team’s activities:

- Grievance management will become critical to maintaining a good relationship with the community,
- Emphasis needs to be put on activities related with livelihood restoration, particularly on ensuring and facilitating access to alternative land for those who are in need of it.

In addition, the recommendations made previously with respect to the vulnerable people are yet to be implemented. The processes to fill these three main gaps (grievances, alternative land and vulnerable people) are expected to be developed in the first quarter of 2006 as a priority, and the next external monitoring review in April 2006 will assess progress on these issues.

**ANNEX 1: ACTIVITY LOG**

<b>Date</b>	<b>Activity</b>
08/12/2005	Travel from Lyon to Accra via Amsterdam
09/12/2005	Travel to Project site, brief by resettlement team members, information requests, update on water & sanitation at resettlement sites, visit of both resettlement sites
10/12/2005	Face-to-face interviews with 9 affected households at Ntotroso and Ola resettlement sites
11/12/2005	Work on documents
12/12/2005	Meeting with OICI in Ntotroso, 2 additional household interviews in Kenyasi 2 town, review of the grievance logs
13/12/2005	Wrap-up meeting with resettlement team members, travel to Accra, travel to Lyon via Amsterdam

## **ANNEX 2: PROPOSED TABLE OF CONTENTS OF THE QUARTERLY INTERNAL MONITORING REPORT**

### **1 STATUS OF PROJECT**

#### **1.1 GENERAL PROGRESS**

#### **1.2 LAND TAKE**

### **2 STATUS OF COMPENSATION**

#### **2.1 RESETTLEMENT**

##### **2.1.1 Ola**

*2.1.1.1 Housing Construction*

*2.1.1.2 Public Infrastructure Construction*

*2.1.1.3 Move*

*2.1.1.4 Hand-Over*

*2.1.1.5 Land Titles*

##### **2.1.2 Ntotroso**

*2.1.2.1 Construction*

*2.1.2.2 Public Infrastructure Construction*

*2.1.2.3 Move*

*2.1.2.4 Hand-Over*

*2.1.2.5 Land Titles*

#### **2.2 RELOCATION**

#### **2.3 CROP COMPENSATION**

#### **2.4 OTHER CASH COMPENSATION**

#### **2.5 MITIGATION OF OTHER LAND TAKE IMPACTS**

##### **2.5.1 Impeded Access**

##### **2.5.2 Impacts on School Children**

### **3 LIVELIHOOD RESTORATION ACTIVITIES**

#### **3.1 AGRICULTURAL LAND REPLACEMENT**

#### **3.2 SUPPORT TO ALTERNATIVE LIVELIHOODS**

#### **3.3 CREDIT**

#### **3.4 COMPENSATION UTILIZATION**

## **4 CONSULTATION ACTIVITIES**

### **4.1 CONSULTATIVE BODIES' ACTIVITIES**

#### **4.1.1 RNC**

#### **4.1.2 Site Selection Committee**

#### **4.1.3 Others**

### **4.2 NGGL'S CONSULTATION AND PUBLIC OUTREACH ACTIVITIES**

## **5 GRIEVANCES**

### **5.1 STATUS**

### **5.2 RESPONSE TO RECURRENT TYPES OF GRIEVANCES**

## **6 MONITORING ACTIVITIES**

### **6.1 INTERNAL**

### **6.2 EXTERNAL**

#### **6.2.1 Follow-up on External Monitor's Recommendations**

#### **6.2.2 Other External Monitoring Activities**

## **7 RESOURCES AND BUDGET**

### **7.1 STATUS OF STAFFING**

### **7.2 BUDGET**