Mining and Social Responsibility: An Exemplary Model for Quality Life

by

Prof Daniel Mireku-Gyimah
Mr Chairman, I intend to present an exemplary model that could resolve the issue of mining and social responsibility so that a mining company and its local community can both enjoy quality life. This model is based on a basic common sense principle that has been applied by all wise people throughout the ages. The principle is that when any two or more parties decide to enjoy quality life together, they always do four things:
Steps for Partnership

Stage 1: Deliberations & Consultations
Stage 2: Agreement
Stage 3: Monitoring Implementation
Stage 4: Conflicts Resolution
1. Deliberations & Consultations

The parties come together to discuss issues of mutual interest, deliberate on their concerns and arrive at decisions that address their concerns and bring mutual benefits.
The parties package their decisions into an agreement which spells out their objectives, obligations, implementation and monitoring plans. Then the parties append their signatures, sometimes at a colourful ceremony, to signify their commitment to the agreement.
The parties comply with the agreement by fulfilling their obligations and playing their roles in the implementation plan while submitting themselves to the monitoring plans to check compliance and achievement of the set objective, i.e. quality life.
4. Conflicts Resolution

When any conflict arises as a result of non-compliance or an emerging condition making parts of the agreement no longer tenable, the parties come together to resolve the conflict amicably through dialogue. When dialogue fails the parties resort to arbitration and in extreme cases, they go to the courts. Very wise people who have successfully applied this principle have always resolved all conflicts through dialogue so as to avoid going to the courts at the risk of losing the quality life.
The Exemplary Model for Quality Life.
Cardinal Mutual Understanding

1. The Company shall be committed to sustainable economic and social development of the Community and its environs and promote peace and harmony between the Company and Community.

2. The Community shall be committed to discussions and consultations with the Company on issues of mutual interest and promote peace and harmony between Company and Community.

3. The Company and Community agree to abide by the principles of openness and sharing of information that will enable them understand each other’s perspectives on issues of mutual interest.

4. The Company and Community agree to maintain trust, sustain good working relation and resolve challenges and conflicts through discussions and negotiations based on tolerance and patience.
Membership

1. There shall be a Forum which will have oversight responsibility for implementing the Agreement.

2. The Forum shall comprise the following:
   a) an external moderator and co-moderator appointed by the Forum;
   b) the Regional Minister for the Brong Ahafo Region;
   c) the General Manager, ESR - Ahafo Mine;
   d) the Regional Manager, External Affairs - Ahafo Mine;
   e) the Community Relations Superintendent - Ahafo Mine;
   f) the three Members of Parliament within the two districts;
Membership (continued)

j) the Regional Chief Farmer;
k) the two District Chief Farmers, one from each District;
l) six representatives of women groups, three from each district elected in accordance with Schedule 2 to this Agreement;
m) ten youth representatives, one from each community town elected in accordance with Schedule 2 to this Agreement; and
n) two representatives of NGOs, one from each District elected in accordance with Schedule 2 to this Agreement.
Employment Sharing

Weighting Factors for Sharing Employees

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Population</th>
<th>Mining Concession</th>
<th>Active Mining Area</th>
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<tr>
<td></td>
<td>Size</td>
<td>Factor</td>
<td>Size</td>
</tr>
<tr>
<td>Community/Town</td>
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</tr>
<tr>
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<tr>
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<td>0.12</td>
<td>48</td>
</tr>
<tr>
<td>Ntoroso</td>
<td>4088</td>
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<tr>
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<td>0.06</td>
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<tr>
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<tr>
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# Employment Sharing (continued)

## Sharing of Employment Opportunities (100 employees)

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<tr>
<th>Community/Town</th>
<th>Percentage</th>
<th>Shared Equally</th>
<th>Shared by Population</th>
<th>Shared by Concession</th>
<th>Shared by Activities</th>
<th>Shared by Commitment</th>
<th>Total</th>
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<td>Susuanso</td>
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<td>7.5</td>
<td>3.125</td>
<td>16</td>
</tr>
<tr>
<td>Gyedu</td>
<td></td>
<td>0.6</td>
<td>0.9</td>
<td>1.3</td>
<td>3.8</td>
<td>1.5625</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td></td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>30</td>
<td>25</td>
<td><strong>100</strong></td>
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Sources of Money

(1) The Company shall pay into the Fund:

(a) one US dollar (US$1) for every ounce of gold produced payable quarterly; and
(b) one per centum (1%) of profit from the gold produced every year.

(2) (a) Every contractor employed by the Company shall be requested by the Company to support sustainable development projects.

(b) Where a contractor agrees to donate part of his profit the Company shall deduct the amount and pay into the Fund except that if the contractor gives specific instruction for the usage of the money such instruction shall prevail.
Sources of Money (Continued)

3  (a) The Board, Forum, Company and the Community shall lobby development partners, donor agencies, and NGOs for support.

(b) Where a development partner, donor agency or NGO provides money as support the amount shall be paid into the Fund except that if the development partner, donor agency or NGO gives specific instruction for the usage of the money such instruction shall prevail.

4  The Board, Forum, Company and the Community shall lobby the District Assemblies and Central Government for support.

5  a) Where stool land is required for a sustainable development project in a community town or its environs the Omanhene or Chief who is the custodian of the land shall donate such land for the purpose.

b) Where government land is required for a sustainable development project in a community town or its environs, the Forum shall pursue the due process to acquire the
Sources of Money (Continued)

6 Where available the Community shall provide skilled or unskilled labour, paid or unpaid.

7 Where available the Community shall support with communal labour.

8 Interest accruing from any investment from the Fund shall be paid into the Fund.
# Money Sharing

## Sharing of Funds (x$100)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>10%</th>
<th>15%</th>
<th>20%</th>
<th>30%</th>
<th>25%</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Community/Town</td>
<td>Shared Equally</td>
<td>Shared by Population</td>
<td>Shared by Concession</td>
<td>Shared by Activities</td>
<td>Shared by Commitment</td>
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<tr>
<td>Terchire</td>
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<tr>
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<td>16.24</td>
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<td>0.63</td>
<td>0.91</td>
<td>1.27</td>
<td>3.75</td>
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</table>

| Total Amount | 10.00 | 15.00 | 20.00 | 30.00 | 25.00 | 100.00 |
# Money Sharing (Continued)

## Distribution among Development Projects

<table>
<thead>
<tr>
<th>Development Project</th>
<th>Human Resource Dev (HR)</th>
<th>Infrastructure Dev. (ID)</th>
<th>Social Amenities (SA)</th>
<th>Economic Empowerment (EE)</th>
<th>Natural Resources (NR)</th>
<th>Cultural Heritage (CH)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community/Town</td>
<td>24%</td>
<td>23%</td>
<td>18%</td>
<td>17%</td>
<td>12%</td>
<td>6%</td>
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<td>3.74</td>
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<td>2.76</td>
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<td>2.76</td>
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<td>2.92</td>
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<tr>
<td>Gyedu</td>
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<td>1.46</td>
<td>1.38</td>
<td>0.97</td>
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<td><strong>23.00</strong></td>
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<td><strong>17.00</strong></td>
<td><strong>12.00</strong></td>
<td><strong>6.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
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</table>
The Board of Trustees

(1) There shall be a Board of Trustees which shall manage the Newmont Ahafo Development Foundation.

(2) The composition of the Board shall be nine (9) people comprising the following:

a) a chairman nominated by the Forum upon the recommendation of the Company;

b) four members appointed by the Company;

c) four members appointed by the Community; two from each District, at least one of whom shall not be a member of the Forum;

d) the Executive Secretary appointed by the Board shall be the secretary to the Board.
The Board of Trustees (Continued)

(3) The composition of the Board shall after 5 (five) years be reviewed such that majority of the members shall be appointed by the Community.
Complaints Resolutions Committee

The composition of the Complaints Resolution Committee shall comprise the following:

a) the Co-Moderator who shall be the chairman; and

b) four members of the Forum appointed on ad-hoc basis by the chairman in consultation with at least four members of the Standing Committee, two from the Company and two from the Community, and the persons nominated shall have experience relating to the nature of the complaint lodged.
Special Role of Nananom

1. Notwithstanding the provisions in this agreement, the Company and the Community agree that Nananom have a special role to play to honour protocols and to maintain transparency, peace and harmony in the Community and that the Company has to support Nananom to enable them play this role effectively.

2. In pursuance of Subsection (1) Nananom shall
   a) assist to resolve any conflict arising within the Community and between the Community and the Company;
   b) receive visitors, NGOs and the media enquiring about the Company’s activities and accord them appropriate courtesies;
   c) when necessary advise personnel from the Company on issues relating to Company – Community relation;
   d) support the Company Agricultural Improvement and Land Access Programme (AILAP) through the provision of land to help restore peoples’ livelihood; and
   e) work together with the Company to prevent Galamsey activities within the Company’s concession and within the Community as a whole.

3. In pursuance of Subsection (1), the Company agrees to accord Nananom special protocols appropriate to their status.
Special Role of the Community and Citizens

1. Notwithstanding the provisions of this Agreement, the Company and the Community agree that the Community and the citizens have a special role to play to maintain transparency, peace and harmony in the Company’s operational area(s).

2. In pursuance of Subsection (1) the Community and citizens shall:
   a) use existing processes and procedures to address any issues of mutual interest;
   b) support existing committees to communicate with the Company;
   c) patronize information centres to seek information;
   d) attend meetings to get feedback from committees and representatives on the various committees and the Forum;
   e) use community and public consultative officers as channels of communication with the Company;
   f) recognise and support youth associations and their activities that are useful to the community;
   g) participate in election of representatives to committees and the Forum;
   h) respect and manage time effectively; and
   i) respect normal protocols.
Special Role of the Company and Employees

1. Notwithstanding the provisions of this Agreement, the Company and the Community agree that the Company and its employees have a special role to play to maintain transparency, peace and harmony in the Ahafo Mine Area.

2. In pursuance of Subsection (1) the Company and its employees shall:
   a) respect the culture of the Community;
   b) respect normal protocols;
   c) honour promises and commitments;
   d) use community and public consultative officers as channels of communication with the Community;
   e) use existing processes and procedures to address any issues of mutual interest; and
   f) respect and manage time effectively.
Special Role of the District Assemblies

Notwithstanding the provisions of this Agreement, the District Assemblies shall:

a) assist to resolve any conflict arising within the community and between the Community and the Company;

b) work together with the Community and the Company to prevent Galamsey activities within the Company’s concession and within the Community as a whole;

c) assist the Community to select useful development projects and support the projects; and

d) assist the Community to elect representatives to various committees and the Forum.
Definitions

The citizen of a community town shall be:

1. A person who hails from the community town; or
2. A person whose father or mother hails from the community town; or
3. A person who lives in the community town and has immovably property in the community town or its environs;
4. A person, living in or outside the community town who is married to somebody hailing form the community town; or
5. Any person living in a community town whom the youth leader, the Assembly member and the Chief/Omanhene consider worthy of according the rights of a citizen (and therefore becomes a citizen).
Definition and composition of the Ahafo mine local community

Definition: The Ahafo Mine Local Community refers to:
1. Community towns that are located on the Mining Lease of NGGL within the current operational area of the Ahafo Mine Project or within the active exploration.
2. Community/traditional area that has a significant amount of its traditional land covered by the Mining Lease of NGGL within the current operational area of the Ahafo Mine Project or within or within the area of the Mining Lease under active exploration.
Composition: For the time being, the Ahafo Mine Local Community is up of the following two Districts and the main community towns and their settlements and environs:

1. Tano North District: The community towns covered by this Agreement are:
   - Terchire
   - Adrobaa
   - Yamfo
   - Susuanso
   - Afrisipakrom
Asutifi District: The community towns covered by this Agreement are:
1. Kenyasi No. 1
2. Ntotoro
3. Wamahinso
4. Kenyasi No. 2
5. Gyedu.

Review of Composition: Subject to Subsection (1) herein, the composition of the Ahafo Mine Local Community shall be reviewed annually to include community towns based on updated maps provided annually by the Company.
Definition of Sustainable Development

Sustainable development shall be such development projects an Newmont and the Foundation jointly agree and shall have the following characteristics and/or that are intended to and reasonably expected to achieve the following results:

1. Development that last from generation to generation
2. Development that is based on actual needs of the community;
3. Development that serves the majority of the people;
4. Development that is owned by majority of the people;
5. Development that can be maintained within available income;
6. Development that is well planned and can be monitored and evaluated;
7. Development that has long term benefits; and
8. Development committed to the cardinal mutual understanding stated in section 2 of this Agreement.
Subject to subsection 12.1 herein, the categories of sustainable development order of priority shall be:

1. Human resource development;
2. Provision of infrastructure;
3. Provision of social amenities;
4. Economic empowerment;
5. Protection of natural resources; and
6. Support for cultural heritage and sports.
Acceptable sustainable development projects

Subject to the provision of this Agreement, sustainable development projects shall be the types of projects accepted by the Forum to be sustainable. For the time being the categorized and prioritized sustainable development projects for each community town and its environs shall be as follows:
<table>
<thead>
<tr>
<th>Human Resources Development</th>
<th>Provision of Infrastructure</th>
<th>Social Amenities</th>
<th>Economic Empowerment</th>
<th>Support for cultural heritage and Sports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships Pre-job</td>
<td>Water</td>
<td>Community Centres</td>
<td>Employment-skilled &amp; unskilled</td>
<td>Festivals</td>
</tr>
<tr>
<td>Training</td>
<td>Electricity</td>
<td>Police Posts</td>
<td>Establishment of factories/cottage industries</td>
<td>Palaces</td>
</tr>
<tr>
<td></td>
<td>Roads</td>
<td>Community Libraries</td>
<td>Credit facilities</td>
<td>Cross cultural Activities and protocols</td>
</tr>
<tr>
<td></td>
<td>Clinics/Health Centres</td>
<td></td>
<td>Market Stalls</td>
<td>Sports</td>
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<td>Schools</td>
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<td>Toilet</td>
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</tr>
<tr>
<td></td>
<td>Incinerators</td>
<td></td>
<td></td>
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</tbody>
</table>
Other Sustainable Development Projects

Notwithstanding the provisions of this Agreement, the Forum may approve or lobby for any sustainable development projects for a community town or for the Community as a whole as it considers appropriate.
Thank you