The Ghana Responsible Mining Alliance

A Global Development Alliance of Gold Fields Ghana, Newmont Ghana Gold Ltd. and the U.S. Agency for International Development

Building prosperous, healthy, lasting communities and a roadmap for responsible mining in Ghana

DRAFT Workplan
June 8, 2006
[Incorporating updates of September 2006]

Speaking out for quality education in Asutifi District, Public Session of the Assembly, August 2005
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# Abbreviations and Acronyms

<table>
<thead>
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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AAGI</td>
<td>Ahafo Agribusiness Growth Initiative</td>
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<tr>
<td>ACG</td>
<td>African Connections Ghana Ltd.</td>
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<td>CLUSA</td>
<td>Cooperative League of the USA</td>
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<tr>
<td>DA</td>
<td>District Assembly</td>
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<td>DAI</td>
<td>Development Alternatives Inc.</td>
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<td>EDC</td>
<td>Education Development Center</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>GAIT II</td>
<td>Government Accountability Improves Trust</td>
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<td>GDA</td>
<td>Global Development Alliance</td>
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<tr>
<td>GDA CU</td>
<td>USAID/Ghana Global Development Alliance Coordinating Unit</td>
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<td>Gold Fields</td>
<td>Gold Fields Ghana</td>
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<td>GOG</td>
<td>Government of Ghana</td>
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<tr>
<td>GTZ</td>
<td>A limited liability company owned by the German federal government for technical cooperation and assistance in developing countries</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>ILGS</td>
<td>Institute of Local Government Studies of Ghana</td>
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<tr>
<td>ISO14001</td>
<td>ISO 14001 environmental management system supports a systematic management approach to the environmental concerns of an organization and continual improvement in environmental management.</td>
</tr>
<tr>
<td>LEEP</td>
<td>Livelihood Enhancement and Community Empowerment Program</td>
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<td>Newmont</td>
<td>Newmont Ghana Gold Ltd.</td>
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<tr>
<td>OICI</td>
<td>Opportunities Industrialization Centers International</td>
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<tr>
<td>PMP</td>
<td>Performance Management Plan</td>
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<tr>
<td>SEED</td>
<td>Sustainable Community Empowerment and Economic Development Program</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
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<tr>
<td>TIPCEE</td>
<td>Trade and Investment Program for a Competitive Export Economy</td>
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<tr>
<td>USAID</td>
<td>U.S. Agency for International Development</td>
</tr>
<tr>
<td>USAID/WA</td>
<td>USAID West African Regional Program/WA</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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1. Summary

The Ghana Responsible Mining Alliance (the Alliance) was inaugurated through a Memorandum of Understanding signed May 24, 2006, in Accra, Ghana. The Alliance joins the industry and development expertise, experience and resources of Gold Fields Ghana (Gold Fields), Newmont Ghana Gold Ltd. (Newmont) and the U.S. Agency for International Development (USAID) in a commitment to:

- Build prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West districts of Ghana, and
- Develop a roadmap for responsible mining.

The gold mining industry is one of Ghana’s most economically significant industries. Gold mining has been going on for centuries and carries the historical legacy of damage to the environment, health and safety hazards and impoverishment of local communities. Companies with a long-term investment in extraction of natural resources have a clear interest in a host country’s institutions and governance practices; in the health, education, and development of the local workforce; in the physical infrastructure of the communities in which they operate; and in the development of local suppliers.

Progressive mining companies’ commitments to social responsibility in Ghana and around the globe have led to significant social investments, including funding for schools, health clinics, roads and basic utility infrastructure. But efforts have sometimes fallen short and produced unintended consequences, including the creation of dependencies and solutions that cannot be sustained. Through the Alliance, Gold Fields and Newmont, with USAID, are moving beyond contributions to investments in sustainable development, including local government technical capacity to support local economic growth, and improvements in how they do business in mining communities.

The Alliance recognizes that responsible mining is a business and development challenge.

Alliance Framework

Alliance work is organized around three objectives with the recognition that many activities are mutually reinforcing and will affect results across the board. Objectives were identified by Gold Fields, Newmont and USAID/Ghana over the period leading to formation of the Alliance. They consider the perspectives and experience of implementing organizations, work already underway and planned at district and national levels and global industry and development experience.

The Alliance recognizes that a myriad of government, civic and development institutions and organizations, including other international donor organizations, are at work in Asutifi and Wassa West districts and in mining communities throughout Ghana. The framework is the foundation for a Ghana owned and inclusive approach over the near and long-term. Figure 1, Alliance Framework, following, provides a snapshot of the base.

**Figure 1: Alliance Framework**

- **Objective 1: Strengthened democratic local governance.** Objective one assumes that laying the ground for prosperous, healthy and lasting communities in Asutifi and Wassa West districts requires that local government institutions, traditional authorities and communities of interest acquire the capacities – and authorities and resources – that enable them to make
local choices and act on them effectively and accountability. Activities are designed to support the following results:

1. DA capacity to manage the business of democratic local government is strengthened, with assistance to develop competence in facilitative leadership; collaborative planning; resource mobilization and management; infrastructure and service improvement; and, communication and customer service. This objective includes targeted assistance to strengthen DA technical capacities in areas critical to the Alliance commitment, as well as assistance to increase local government capacity to advocate on the national stage for increased authority and resources, including an equitable share of revenue from industry, and attention and assistance from donor and development organizations.

2. Local civic organizations’ capacity to advocate for constituencies and collaborate for sustainable development is strengthened, with assistance to develop organizations’ competence in facilitative leadership; communication; serving as a responsible watchdog and partner for development; and, building civic organizations that last.

3. Traditional authorities’ capacity to promote an environment favorable to economic growth and democratic local governance is strengthened, with the focus on the priority skills of facilitative leadership; communication; and, collaborative planning.

Many of the activities will be implemented by the USAID-supported Government Accountability Improves Trust (GAIT II) project supplemented with additional, complementary activities and implementers that Alliance members agree are necessary.

**Objective 2: Enhanced economic opportunities through the local private sector**

focuses on enhancing economic opportunities and the local productivity of people living in the mining areas of Asutifi and Wassa West. Objective two encompasses the work of:

1. The Sustainable Community Empowerment and Economic Development Program (SEED), funded by Gold Fields, and the Livelihood Enhancement and Community Empowerment Program (LEEP), funded by Newmont
2. The Trade and Investment Program for a Competitive Export Economy (TIPCEE), funded by USAID
3. Ahafo Agribusiness Growth Initiative (AAGI), funded by Newmont
4. SME Linkages, funded by Newmont with a 1:1 match from the International Finance Corporation (IFC)

Many of the objective two resources will be applied through the existing SEED and LEEP programs implemented by the U.S. Private Voluntary Organization Opportunities Industrialization Centers International (OICI) with direct funding from Gold Fields and Newmont. SEED and LEEP include a multitude of economic opportunity initiatives, including various agriculture projects, value adding activities and livelihoods/vocational training.

OICI also will work closely with TIPCEE, and others to be selected, to increase the competitiveness of the private sector through an improved enabling environment and strengthened capacity to respond to market demands. These activities are a critical part of USAID/Ghana’s ongoing Strategic Objective to “Promote Private Sector Competitiveness,” the Initiative to End Hunger in Africa, and the Food for Peace Title II program.

The Ahafo Agribusiness Growth Initiative (AAGI), implemented by African Connections Ghana Ltd. and Development Alternatives Inc. (DAI) with ShoreBank, supports small and medium enterprise (SME) development and access to micro-credit financing. SME Linkages, a program of the International Finance Corporation (IFC) in Ghana, aims over a three year period to enhance the capacity of approximately 60 local businesses and two key financial institutions in the Asutifi District areas affected by the Ahafo mine project.

**Objective 3: Promotion of responsible mining practices** and development of an improved roadmap for mining companies operating in Ghana. Objective three is designed to develop and share a knowledge base of responsible mining practices through consultation in the communities of Asutifi and Wassa West, other mining districts and with stakeholders in Ghana as a whole. Activities will help local, regional and global partners identify ways to balance diverse interests,
create synergies and identify actions, including advocacy potentials, important to a roadmap for responsible mining and sustainable development in mining communities.

Alliance members and partners have identified preliminary topics for exploration, including social impact assessments and public consultation, resettlement, rehabilitation and closure of mine sites, economic benefits of mining, community development activities in mining areas by mining companies and by the Government of Ghana (GOG), land tenure, communication and governance, human rights and artisanal mining.

Topics will be explored and lessons shared through varied district-level and national venues, including the Alliance Secretariat, the Ghana Chamber of Mines, the Sustainable Development Forum, the news media, professional associations, advocacy groups and civic unions, USAID/Ghana and the international donor community.

Mapping Out Alliance Plans and Activities

The workplan includes a preliminary year one approach intended to capture what is known about supportive activities underway and planned in the near-term and to pencil a roadmap of possibilities for consideration by Alliance members, implementers and stakeholders in Asutifi and Wassa West and in the mining industry. Brief narratives of year one plans, by objective, are followed by an activities roadmap and a preliminary results framework. The results framework includes intermediate results for each objective and proposed performance indicators. The map and framework are fodder for vetting in June and July and deliberation at the August 7-8 stakeholder planning session.

The preliminary results framework incorporates performance indicators in USAID/Ghana’s existing performance management plan (PMP) and proposed optional indicators for monitoring progress across Alliance-specific results. The Alliance’s potential to support USAID’s strategic plan, two USAID Strategic Objectives and expansion of the aims of the Food for Peace Title II program was a determining factor in forging this partnership. The intent is to apply existing USAID/Ghana performance data and analysis to inform the work of the Alliance. Optional, special purpose indicators will be considered during start-up planning with stakeholders.

Roles and Funding Arrangement

Gold Fields, Newmont and USAID/Ghana bring a range of expertise, experience, funding and existing implementation partners and activities to the coalition. The Alliance anticipates a combined investment of over $9.5 million from 2006 through 2010. The ratio of the mining members’ resources to USAID/Ghana is nearly seven to one.

Organization and Management Structure

Global experience provides no formula for organizing and managing development alliances. Few end up with the structure established at the outset. Gold Fields, Newmont and USAID/Ghana have ongoing activities that are part of the Alliance work. While projects are implemented by various entities, all activities under the GDA will be coordinated by a GDA Coordinating Unit. The coordinating unit team includes a director, hired by USAID/Ghana and based in Accra, who will work not less than 60% on the Alliance in its initial two years. Gold Fields and Newmont staff will be assigned to the unit on a part-time basis.

To provide overall guidance, members will form an Alliance Secretariat composed of representatives of Gold Fields, Newmont and USAID. The Secretariat chair position will rotate among the three members. The Secretariat will form a technical advisory board that includes representatives of implementing partners, including GAIT II, LEEP, SEED, TIPCEE and others as designated by the Secretariat.

Living Workplan

This workplan is a living document intended to guide thinking and decisions as the Alliance deepens understanding and relationships among members, with implementing partners, and with the people, networks and institutions of Asutifi and Wassa West districts and the mining industry in Ghana. Alliance members and implementers will vet the plan locally and nationally in June and July and build on it in a stakeholders’ planning workshop set August 7-8, 2006.
2. A Living Workplan

This workplan is a living document that lays out the Ghana Responsible Mining Alliance framework, provides historical context, documents work already in progress, and identifies targets of opportunity and activities within the three technical objectives primary to Alliance work. It is a first cut, intended to guide thinking and decisions as the Alliance deepens understanding and relationships among members, with implementing partners, and with the people, networks and institutions of Asutifi and Wassa West districts and the mining industry in Ghana.

Alliances are built on institutional and personal relationships that require a strong dose of trust among partners ... building and managing those relationships becomes simultaneously more difficult and more essential, particularly when some of the partners are networks. (Several of USAID's alliances include networks of organizations that have coalesced around a particular issue, such as cocoa in West Africa or youth employment in the Americas.) As time goes on, it becomes apparent that adjustments to approaches, planning, and funding will occur.


Schedule for Review and Collaborative Planning

June-July 2006: Alliance members will share and discuss the workplan with implementing partners and local and national networks of government, industry, civic and development organizations, including other international donor organizations. The USAID/Ghana Global Development Alliance Coordinating Unit will start up in late June, allowing time for vetting of this first-cut workplan at the district and national levels before a stakeholders' planning workshop scheduled in August.

The vetting process includes release of the workplan to implementing partners and collaborators in early June and envisions a broad sharing and open discussion of the Alliance, as a whole, and the workplan specifics with national level collaborators and with Asutifi and Wassa district partners, including representatives of District Assemblies, civic organizations, traditional authorities and other stakeholders. The process is intended to raise awareness, involve many in the work planning process, identify issues and elicit input, particularly to the overall technical approach and the year one roadmap of activities.

August 7-8, 2006: Collaborative planning session with implementing partners and other stakeholders to consider results of the June and July vetting and take the workplan to its next stage. Timing for this session is designed to coincide with annual work planning schedules of USAID/Ghana-supported projects involved in the Alliance. The session will include consideration of management and governance structures that can best support Alliance outcomes and the commitment to a locally owned and inclusive approach over the near and long-term.

Workplan Organization

The workplan is organized in the following sections.

1. Summary
2. Living Workplan
3. Alliance Framework for Collaboration and Results
4. Responsible Mining is a Business and Development Challenge
5. Year One Technical Approach and Program Options
6. Preliminary Results Framework and Performance Management Recommendations
7. Year One Activities Roadmap.

Annexes provide reference information.
Acknowledgements

Many organizations and individuals contributed to this workplan, including the teams of Gold Fields Ghana, Newmont Gold Ghana Ltd., and USAID. Representatives of Alliance implementing partners and organizations working in development and responsible mining in Ghana were generous with their time, knowledge and perspectives. Thank you to:

Ahafo Agribusiness Growth Initiative (AAGI): Dr. Ayesha Hakeem, African Connections Ghana Ltd., Dr. Beth Gertz and Scott Desmarais, Development Alternatives Inc. (DAI)

Ghana Chamber of Mines: Joyce R. Aryee, chief executive officer

Government Accountability Improves Trust (GAIT II): Pape Sene, technical advisor

GTZ, Local Governance-Poverty Reduction Support Program: Dr. Wolfram Fischer, program advisor, and Peter Fricker, financial manager

Institute of Local Government Studies (ILGS): Delasi Amable, research and consultancy

Livelihood Enhancement and Community Empowerment Program (LEEP) and Sustainable Community Empowerment and Economic Development (SEED) program, Opportunities Industrialization Centers International (OICI): Dr. John Nene-Osom Azu, technical advisor and assistant country representative; director of programs; Ferdinand Nyantakyi-Daapah and Nicholas Ntiamoah, SEED program manager, Tarkwa

Trade and Investment Program for a Competitive Export Economy (TIPCEE): Rick Ody, chief of party; Charles Ofori Addo, lead business development specialist; and, Jean Michel Voisard, export business development director.

Alliance Members

Gold Fields Ghana: Tim Buchanan, senior consultant sustainable development, and Toni Aubynn, corporate manager, public affairs and social development.

Newmont Gold Ghana Ltd.: Chris Anderson, director, external affairs.

USAID/Ghana: Tim Donnay, program officer; Ted Lawrence, Democracy and Governance (DG) team leader; Clement Tandoh, DG team, local government specialist; and, Patrick Fosu-Siaw, monitoring and evaluation specialist.

USAID/West Africa: Rob Clausen, regional environmental advisor.

Additional information is provided in Annex 2, Alliance Contact Information.
3. Alliance Framework for Collaboration and Results

Purpose

The Ghana Responsible Mining Alliance (the Alliance) was inaugurated through a Memorandum of Understanding signed on May 24, 2006, in Accra, Ghana. The Alliance joins the industry and development expertise, experience and resources of Gold Fields Ghana (Gold Fields), Newmont Ghana Gold Ltd. (Newmont) and the U.S. Agency for International Development (USAID) in a commitment to:

- **Build prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West districts of Ghana, and**
- **Develop a roadmap for responsible mining in Ghana.**

Progressive mining companies’ commitments to social responsibility have led to significant social investments, including funding for schools, health clinics, roads and basic utility infrastructure. But efforts have sometimes fallen short and produced unintended consequences, including the creation of dependencies and solutions that cannot be sustained. Through the Alliance, Gold Fields and Newmont, with USAID/Ghana, are moving beyond social contributions to investments in sustainable development and improvements in how they do business in mining communities.

The two mining companies and USAID have been exploring the possibility of working together for about two years. Due in part to the attractiveness of creating a viable partnership, USAID/Ghana identified the two mining districts as potential sites for activities relating to good governance and economic opportunities. With Mission concurrence, and after a selection process, both districts were selected for participation in the USAID-supported local governance and civil society project, GAIT II, and for exploration under the primary economic growth project, TIPCEE.

This is a USAID Global Development Alliance (GDA). GDAs are designed to mobilize the ideas, efforts and resources of the commercial sector, government and civil society to stimulate economic growth, develop local businesses and workforces, address health and environmental issues, and expand access to education and technology.

The Ghana Responsible Mining Alliance’s purpose is to bring together the expertise and resources of its members to maximize the impact of the social development programs while extracting mineral resource in an ecologically sound manner. While Gold Fields, Newmont and USAID come to the Alliance with distinct perspectives and objectives, they are bound by a common understanding that:

- **A changing world poses new challenges** to the mining industry, the development community and Ghana communities. Effects of globalization and urbanization, increased demand for corporate accountability and social responsibility, and high expectations for democratic governance require new ways of thinking and working in mining communities in Ghana and around the globe.

- **No one can meet these challenges alone.** Sustainable solutions require a coalition of business, government, traditional authorities and citizens working together. Alliance members will collaborate on activities of mutual interest and foster a synergistic program with the people, networks and institutions of Asutifi and Wassa West districts, the mining industry, and the development community.

- **Innovation and learning from experience,** locally and nationally, can lead to more responsible mining practices, more effective local governance and stronger, more diversified local economies in Asutifi and Wassa West.

Three Organizing Objectives

Alliance work is organized around three objectives with the recognition that many activities are mutually reinforcing and can affect results across the board. Objectives were identified by Gold Fields, Newmont and USAID/Ghana over the period leading to Alliance formation. They consider the perspectives and experience of implementing organizations, the advantages of linking work already underway and planned at district and national levels, and global industry
and development experience. Additionally, well-framed progress measurement systems are in place and indicators that match with those used by USAID/Ghana in its Performance Management Plan are numerous. The Alliance’s potential to support USAID’s strategic plan, two USAID Strategic Objectives and expansion of the aims of the Food for Peace Title II program was a determining factor.

The Alliance recognizes that a myriad of government, civic and development institutions and organizations, including other international donor organizations, are at work in Asutifi and Wassa West districts and in mining communities throughout Ghana. The framework intends to support a Ghana owned and inclusive approach over the near and long-term. Figure 1: Alliance Framework, following, provides a high level illustration of the base. A summary description of each objective follows.

**Figure 1: Alliance Framework**

Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West districts

Objective 1: Strengthened democratic local governance

Objective 2: Enhanced economic opportunities through local private sector

Objective 3: Promotion of responsible mining practices

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**Objective 1: Strengthened democratic local governance.** Objective one assumes that laying the ground for prosperous, healthy and lasting communities in Asutifi and Wassa West requires that local government institutions, traditional authorities and communities of interest acquire the capacities – and authorities and resources – that enable them to make local choices and act on them effectively and accountability. Activities are designed to support the following results in Asutifi and Wassa West districts:

1. DA capacity to manage the business of democratic local government is strengthened, with assistance to develop competence in facilitative leadership; collaborative planning; resource mobilization and management; infrastructure and service improvement; and, communication and customer service.

   This objective includes targeted assistance to strengthen DA technical capacities in areas critical to the Alliance commitment, as well as assistance to increase local government capacity to advocate on the national stage for increased authority and resources, including an equitable share of revenue from industry, and attention and assistance from donor and development organizations.

2. Local civic organizations’ capacity to advocate for constituencies and collaborate for sustainable development is strengthened, with assistance to develop organizations’ competence in facilitative leadership; communication; serving as a responsible watchdog and partner for development; and, building civic organizations that last.

3. Traditional authorities’ capacity to promote an environment favorable to economic growth and democratic local governance is strengthened. The Alliance will focus on strengthening the priority skills of facilitative leadership; communication; and, collaborative planning.

This work will not be easy in a framework where the lion’s share of authorities, resources and technical capacities are vested in Ghana’s central authorities and in the major companies and non-governmental development organizations at work in mining communities. Objective one envisions a gradual transition of roles and responsibilities over the term of the Alliance.
Many of the activities will be implemented by the ongoing GAIT II project supplemented with additional activities and implementers Alliance members agree are necessary to strengthen capacity and encourage strong working relationships among local government, traditional authorities, civic groups and the mining companies.

**Expected results:** Asutifi and Wassa West DAs demonstrate progress in the competencies essential to managing the business and technical development of local government, including participatory planning; resource mobilization; management of public resources and service delivery; public-private partnerships; communication and customer service; and advocacy to increase attention, authority and resources to local government. Citizen groups demonstrate progress in number and complexity of advocacy issues undertaken, organizational management, resource mobilization and accountability. Monitored as per USAID/Ghana Performance Management Plan (PMP) and additional performance management activities Alliance members agree are necessary.

**Estimated four-year cost:** $1,290,000 ($790,000 USAID; $250,000 Newmont; and, $250,000 Gold Fields).

**Objective 2: Enhanced economic opportunities through the local private sector** focuses on enhancing economic opportunities and the local productivity of people living in the mining areas of Asutifi and Wassa West. Objective two encompasses the work of:

1. The Sustainable Community Empowerment and Economic Development Program (SEED), funded by Gold Fields, and the Livelihood Enhancement and Community Empowerment Program (LEEP), funded by Newmont
2. The Trade and Investment Program for a Competitive Export Economy (TIPCEE), funded by USAID
3. Ahafo Agribusiness Growth Initiative (AAGI), funded by Newmont
4. SME Linkages, funded by Newmont with a match from the International Finance Corporation (IFC).

Over the term of the Alliance, many of the objective two resources will be applied through the existing SEED and LEEP programs implemented by the U.S. Private Voluntary Organization Opportunities Industrialization Centers International (OICI). SEED and LEEP include a multitude of economic opportunity initiatives, including various agriculture projects, value adding activities and vocational/livelihoods training.

Gold Fields support to SEED under the Alliance is devoted to agricultural livelihoods – oil palm, cocoa, vegetables, aquaculture, livestock; value adding for agricultural products, including palm oil, cassava, soap making and grain milling; vocational training; and, sustainability activities related to each.

LEEP’s aim is to improve livelihood security and quality of life to residents of towns and surrounding rural communities in the area affected by the mine operations in Asutifi District, particularly those physically or economically displaced by the Ahafo mining operations. Newmont support to LEEP under the Alliance provides training and support to help displaced farmers develop new skills and livelihoods in areas such as soap making, batik, tie and dye, grass cutter production and vegetable and mushroom production.

TIPCEE, implemented by a consortium led by Chemonics, aims to increase the competitiveness of Ghana’s private sector through an improved enabling environment and a strengthened capacity of the private sector to respond to market demands. TIPCEE will work closely with OICI, through funding from Gold Fields and Newmont, to identify a number of opportunities in mine-affected communities that could provide appropriate and attractive employment possibilities and income generating activities relating to agricultural and horticultural commodities for export. These activities contribute to USAID/Ghana’s ongoing Strategic Objective to “Promote Private Sector Competitiveness,” the Initiative to End Hunger in Africa, and the Food for Peace Title II program. The work includes market assessments and pilots of any commodity potentials.

The Ahafo Agribusiness Growth Initiative (AAGI), implemented by African Connections Ghana Ltd. and Development Alternatives with ShoreBank, supports small and medium enterprise (SME) development and access to micro-credit financing.
SME Linkages, now in development, aims to enhance the capacity of approximately 60 local businesses and two key financial institutions in communities affected by the Ahafo mining project in Asutifi District. Over a three-year period, the program will:

- Initiate a supplier development program that includes training and mentoring for local businesses;
- Identify commercially viable market opportunities additional to those offered by mining company operations;
- Provide targeted technical assistance for financial and non-financial organizations to improve the capacity of lenders to give credit;
- Deliver support services to local businesses in financial management and business plan development to improve their ability to qualify for credit.

**Expected results:** Increased production of selected commodities and increased value adding activities; expanded use of new technologies and practices; and, improved smallholder linkages to domestic and export markets. Progress will be monitored as per USAID/Ghana Performance Management Plan (PMP) and additional performance management activities Alliance members agree are necessary.

**Estimated four-year cost:** $7,719,000 ($200,000 USAID; $2,429,000 Gold Fields; and, $5,090,000 Newmont).

**Objective 3: Promotion of responsible mining practices** and development of an improved roadmap for mining companies operating in Ghana. Objective three is designed to develop and promote a knowledge base of responsible mining practices through consultation in the communities of Asutifi and Wassa West, other mining districts and with stakeholders in Ghana as a whole.

Activities will help local, regional and global partners identify ways to balance diverse interests, create synergies and identify actions, including advocacy potentials, important to a roadmap for responsible mining and sustainable development in Ghana's mining communities.

Alliance members and partners have identified preliminary topics for initial exploration, including social impact assessments and public consultation, resettlement, rehabilitation and closure of mine sites, economic benefits of mining, community development activities in mining areas by mining companies and by the Government of Ghana, land tenure, communication and governance, human rights and artisanal mining.

Topics will be explored and lessons shared through varied district and national level venues, including the Alliance Secretariat, the Ghana Chamber of Mines, the Sustainable Development Forum, the news media, professional associations, advocacy groups and civic unions, USAID/Ghana and the international donor community. Coordination will be done through the GDA Coordinating Unit with an implementing partner chosen by the Alliance members. The Ghana Chamber of Mines, news media and other interested parties will be involved in all aspects of this objective.

**Expected results:** Knowledge base of responsible mining practices established; Ghana responsible mining learning network active and institutionalized; media coverage of Ghana mining issues and practices improved in accuracy, balance, comprehensiveness; capacity of industry, civic organizations, government to contribute to and use practices for responsible mining is strengthened.

**Estimated four-year cost:** $300,000 ($100,000 USAID; $100,000 Newmont; and, $100,000 Gold Fields)

**Roles and Funding Arrangement**

Gold Fields, Newmont and USAID/Ghana bring a diverse range of expertise, experience, funding and existing implementation partners and activities to the coalition. The Alliance anticipates a combined investment of over $9.5 million from 2006 through 2010. The ratio of mining members’ resources to USAID/Ghana’s is nearly seven to one, as illustrated in Table 1: Alliance Funding Summary, following.
Table 1: **Alliance Funding Summary**

<table>
<thead>
<tr>
<th>Alliance Member</th>
<th>Estimated Contribution 2006-2010</th>
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<tbody>
<tr>
<td>Gold Fields Ghana</td>
<td>$2.90 million</td>
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<tr>
<td>Newmont Gold Ghana Ltd.</td>
<td>$5.50 million</td>
</tr>
<tr>
<td>USAID</td>
<td>$1.25 million</td>
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<tr>
<td>USAID/Ghana ($850,000)</td>
<td></td>
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<td>USAID GDA ($400,000)</td>
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Table 2: **Alliance Members, Partners, Roles and Contributions at a Glance**, on the following page provides a summary of Alliance members and implementing partners, their roles and estimated funding contributions through 2010.
### Table 2: Alliance Members, Partners, Roles and Contributions at a Glance

<table>
<thead>
<tr>
<th>Member</th>
<th>Role</th>
<th>Estimated Investment 2006-2010</th>
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<tbody>
<tr>
<td>Gold Fields Ghana</td>
<td>Supportive alliance member, broker of mining industry experience</td>
<td>$2.90 million</td>
</tr>
<tr>
<td>Newmont Ghana Gold Ltd.</td>
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<tr>
<td>USAID</td>
<td>Supportive alliance member, convener and broker of development experience</td>
<td>$1.25 million</td>
</tr>
</tbody>
</table>

### Current Alliance Projects

<table>
<thead>
<tr>
<th>Role</th>
<th>Supporting Alliance Member</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AAGI implemented by a consortium of African Connections Ghana Ltd., DAI, ShoreBank</strong></td>
<td>Newmont</td>
</tr>
<tr>
<td><strong>GAIT II implemented by CLUSA in collaboration with EDC and ILGS</strong></td>
<td>USAID/Ghana</td>
</tr>
<tr>
<td><strong>Implementer(s) as agreed upon by Alliance</strong></td>
<td>Gold Fields Newmont</td>
</tr>
<tr>
<td><strong>SEED, LEEP, food aid and livelihood development implemented by OICI</strong></td>
<td>Gold Fields (SEED), Newmont (LEEP), USAID/Ghana (Food Aid)</td>
</tr>
<tr>
<td><strong>SME Linkages Program</strong></td>
<td>Newmont with IFC match</td>
</tr>
<tr>
<td><strong>TIPCEE implemented by Chemonics International in a consortium with TechnoServ Ghana, CARE, Geomar</strong></td>
<td>USAID/Ghana</td>
</tr>
<tr>
<td><strong>Practice forums and networks, implemented by Ghana Chamber of Mines, other partners to be identified</strong></td>
<td>Gold Fields Newmont USAID/Ghana</td>
</tr>
</tbody>
</table>
Organization and Management Structure

Global experience provides no magic formula for organizing and managing development alliances. Few end up with the structure they established at outset.

*Coordinating multiple partners with diverse interests to achieve shared goals requires specific skills from all partners, including firms and governments. Firms must learn to accommodate stakeholders other than shareholders and regulators in their planning and operations. Governments, for their part, have to learn to "govern by network."*

*In this new model of governance, with implications for business as well as government, officials do more than manage people and programs in hierarchical structures – they manage relationships among a shifting range of partners and marshal the resources of those partners to produce public value.*

– USAID, Global Development Business Model, January 2006

A description of the Alliance’s initial organization and management structure follows. The August 2006 collaborative planning session will include consideration of management and governance structures that can best support Alliance outcomes.

**USAID/Ghana GDA Coordinating Unit**

Gold Fields, Newmont and USAID/Ghana have ongoing activities that are part of the Alliance work. While projects are being implemented by various entities, all activities under the GDA will be coordinated by a GDA Coordinating Unit. The coordinating unit team includes a director, hired by USAID/Ghana and based in Accra, who will work not less than 60% on the Alliance in its initial two years. Gold Fields and Newmont staff will be assigned to the unit on a part-time basis.

The coordinating unit director will be based within USAID/Ghana but will travel often to both Gold Fields and Newmont sites to work with team members and support effective management. The coordinating unit will be tasked with developing synergy among GDA members by ensuring all activities are carried out collaboratively and that all Alliance members benefit from each other’s experiences and lessons.

While each Alliance member and implementing partners have, or will develop, workplans targeted to specific sites and technical tasks, the coordinating unit will be responsible for ensuring a horizontal flow of information and practices that benefits all organizations in the GDA. The coordinating unit is also responsible for monitoring the progress of the GDA.

**Alliance Secretariat**

To reinforce the Alliance and provide guidance to the coordinating unit, the members will form an Alliance Secretariat (the Secretariat) composed of representatives of Gold Fields, Newmont and USAID. The chair position will rotate among the three Alliance member organizations. The Secretariat will form a technical advisory board that includes representatives of implementing partners, including GAIT II, LEEP, SEED, TIPCEE and others as designated by the Secretariat.

For at least the first year, the Secretariat will meet quarterly. Alliance members also will share workplans and relevant reports, including technical analyses, audits and evaluations.

Additional information about the Alliance organization and management structure is available in the Memorandum of Understanding included in the workplan as Annex 1.
4. Responsible Mining is a Business and Development Challenge

This section provides a summary of the Alliance context, including background and considering the mining industry, local governance and local economic conditions in Asutifi and Wassa West districts.

**Gold Fields** has mining operations in Ghana, South Africa, and Australia. The two Ghana mines, in Tarkwa and Damang, are both in Wassa West District. Gold Fields acquired the mines in 1993 and 2002 and they should continue to operate for another 20 years. Gold Fields Ghana has 4,000 direct and indirect employees in Ghana and 43,000 worldwide. GFG plays a prominent role in the socio-economic fabric of Ghana. The firm is controlled by Gold Fields Limited of South Africa, the world’s fourth largest gold producer. The company’s Ghanaian operations, in which over $700 million has been invested, produce almost one million ounces of gold per year, making it the country’s largest gold producer. The gold produced by these two mines is responsible for generating about 12% of Ghana’s total foreign exchange earnings. The Government of Ghana is a 10% shareholder in the company.

**Newmont**, the world’s largest gold mining company, is based in Denver, with worldwide operations. Newmont initiated Asutifi District (Ahafo) mine preparation in 2003 and expects to begin producing gold in third quarter 2006. Yields may reach as high as one million ounces per year with employment of 1,000 people. The Ahafo resettlement program is nearing completion, although some problems have yet to be overcome. Newmont recently received a substantial loan from the International Finance Corporation (IFC), with several compliance requirements attached. The Ahafo Project is currently in the last stages of construction. Construction activities are focused on processing facilities, mine maintenance workshop, laboratory, and the Tailing Management Facility (TMF) and are approximately 75% complete. Mining activity officially commenced in January 2006 with pre-stripping operations aimed at providing construction material for the TMF and top soil salvage for use later on during reclamation activities. Additional activities related to mining are the construction of the run of mine pad around the crusher to bring the area up to the required grade and construction of haul roads between the pit areas and the crusher.

**Mining Industry Landscape**

**Globally:** The role of extractive industries has changed over the last few decades. As governments in developing countries work to improve resource management, shareholders and business leaders are critically examining the long-term effects and implications of their companies’ operations. Leading companies are trying to balance core business requirements with social investments in the countries and communities where they operate.

Companies with a long-term investment in extraction of natural resources have a clear interest in a host country’s institutions and governance practices; in the health, education, and development of the local workforce and other members of local communities; in the physical infrastructure of the communities in which they operate; and, often, in the development of local suppliers. While many companies traditionally have focused on building schools, clinics, toilets and wells for communities, today they are also developing alliances with development organizations, such as USAID/Ghana, to ensure investments not only generate profitable returns, but also create conditions for sustainable long-term economic growth. Those conditions include just and democratic governance and peace and security.

**Locally:** The gold mining industry is one of Ghana’s most economically significant industries. Gold mining has been going on for centuries and carries the historical legacy of damage to the environment, health and safety hazards, and impoverishment of local communities. To operate effectively, progressive mining companies must limit environmental impact and contribute to sustainable development in the communities in which they work.

Progressive mining companies’ efforts to strengthen communities have led to significant social investments, including funding for schools, health clinics, roads and basic utility infrastructure. But efforts have sometimes fallen short and produced unintended consequences, including the creation of dependencies and solutions that cannot be sustained by relatively weak local governance structures and limited local economies. Through the Alliance, Gold Fields and Newmont, with USAID/Ghana, are moving beyond social...
contributions to investments in sustainable development and improvements in how they do business. Both consider sound environmental and social management as critical to the long-term sustainability of the corporations.

The Gold Fields Tarkwa and Damang gold mines are located in the southern portion of the Wassa West District of the Western Region of Ghana. The two mining operations are near the District capital of Tarkwa, approximately 250 kilometers southwest of the capital city of Accra and 150 kilometers southwest of the second largest city, Kumasi. Gold Fields works with 16 primary stakeholder communities in the area of the two mines on community development projects. A total of 30,000 persons reside in these mine area communities.

The Newmont Ahafo Gold Project is located in the southern portion of the Asutifi District within Brong Ahafo Region, some 300 kilometers northwest of the capital city of Accra, 107 km northwest of the second largest city, Kumasi and 40 km southeast of the regional capital of Sunyani. The Project extends from the Kenyase area in the south to the Subenso area 45 km to the north. The communities that Newmont is working with on community development include Wamahinso, Gyedu, Ntotoroso, Kenyase 1 and 2 and hamlets near those communities. Approximately 33,500 people live in the portion of the district affected by the project.

Lessons from Tarkwa

Management of social and environmental issues is of critical importance in Ghana where high population densities, abundant water and luxuriant forested areas pose challenges to companies operating large scale mining operations. While Gold Fields had generally been successful in addressing these challenges in development of its Ghana business since 1993, a notable incident in 2001 highlighted the need to go further.

In October 2001, an abnormally heavy rainfall, combined with a design flaw in a site grading plan, led to a limited release of a process solution containing cyanide at the Tarkwa mine. The solution entered a nearby stream, requiring an alert to downstream residents that they should not use the stream water for consumption pending results of water quality tests and analyses. Test results later in the day of the event indicated the water had, for a brief period, slightly exceeded Ghana’s legal discharge limit for cyanide levels. Gold Fields immediately rectified the physical situation that had contributed to the release. No physical human impacts were identified and a total of 50 fish were killed. Understandably, communities downstream remained fearful of the water, and the event led to consternation and a firestorm of media attention.

This event and its aftermath highlighted two important issues for Gold Fields:

**Environmental management** at the site, and at the company’s other sites internationally, while meeting all regulatory requirements and historically providing adequate levels of environmental protection, required enhancement if they were to meet or exceed the highest international standards and minimize risk; and

**Relationships with communities** were not strong enough to facilitate an effective resolution to the immediate challenges of the event. Gold Fields recognized the need to significantly enhance local relationships though greater levels of engagement and interaction.

**Commitment to Environmental Management, Strong Local Relationships**

In response, Gold Fields implemented the most rigorous environmental management system in the world, ISO14001, at its Tarkwa and Damang mines and at all company operations worldwide (South Africa and Australia). An ISO 14001 environmental management system supports a systematic management approach and continual improvement in environmental management. Gold Fields was the first gold mining company in the world to achieve this milestone.

The company increased focus on local relationships and the exchange of useful, accurate information, beginning with the formation of formal community consultative committees at both of its Ghana mines. Committees include broad representation from primary stakeholder communities and representatives of local governments, the Ghana Environmental Protection Agency (EPA), and government ministries. These committees, which meet at regular intervals,
serve as vehicles through which a free and open dialogue is maintained on matters related to Gold Fields operations. The Gold Fields Ghana Foundation was established to serve as the vehicle through which social responsibility programs would be funded and managed.

The Gold Fields Ghana Foundation receives one U.S. dollar for every ounce of gold produced and one half percent of profit before taxes and royalties.

Since 2002, Gold Fields has invested over $5 million in development projects in primary stakeholder communities. Project design and implementation include consultation and shared work with communities, local government and relevant Ministries.

Gold Fields’ funding levels for social responsibility and sustainable development programs currently exceed $1.7 million annually.

Gold Fields’ community development programs are implemented under the Sustainable Community Empowerment and Economic Development (SEED) program. This five year program, begun in 2005 and designed in collaboration with stakeholders, is addressing development needs in the areas of livelihoods, health, education and water/sanitation and includes provision of basic infrastructure, capacity building and training. Gold Fields has integrated international principles for human rights (United Nations-UN and International Labour Organization-ILO), ethics and transparency into its corporate operational policies, reports annually following the guidelines of the Global Reporting Initiative, and, with Newmont, has played a leading role in encouraging implementation of the Extractive Industry Transparency Initiative (EITI) in Ghana. Gold Fields is applying these systems, strategies and operational procedures at the outset of new projects in Peru, Venezuela, Finland and Burkina Faso.

Challenges and Opportunity in the Newmont Ahafo Project

Newmont is committed to demonstrating that by applying responsible practices at a Greenfield mine site, Ahafo, it is possible to operate a modern gold mine which can benefit neighboring communities. The challenges of meeting this objective, while developing the new mine, are significant.

Resettlement: Development of the Ahafo project involves 3,111 hectares of total mine area and is expected to result in the physical or economic displacement of 1,700 households. Many are farmers who require assistance to develop alternative livelihoods.

Environmental Protection, Employee Safety: Newmont’s commitment to emphasize local employment requires a strong training program that promotes employee safety and environmental stewardship. The Ahafo project area lies in a high-rainfall environment. Surface water management and protection of local water resources are key areas that must be addressed.

Communication and Trust: Successful development of the project for both Newmont and the communities requires the development of trust, two-way communication, and participatory programs that involve civic groups, traditional leaders and local government agencies. Newmont and the Ahafo communities are learning as they go.

Newmont’s LEEP program, begun in 2004 and implemented by OICI, provides training and support to help displaced farmers in the Ahafo area develop new skills and livelihoods in areas such as soap making, batik, tie and dye, grass cutter production and vegetable and mushroom production.

The firm is planning with a local consultative committee for establishment of a foundation for long-term sustainable development. The foundation will receive one U.S. dollar for every ounce of gold produced and one percent of profit before taxes and royalties. Contributions are dependent on production and profitability, but they are expected to exceed $2 million annually.

In January 2006 the International Finance Corporation (IFC) board of directors approved a $125 million financing package for the Ahafo project. The IFC intends to directly fund $75 million, with the remainder provided by a consortium of commercial banks. The IFC’s involvement in the project follows an extensive due diligence review of the Ahafo Project’s
social programs and environmental safeguards, including a comprehensive 120-day public disclosure period. This review included both internal IFC review and several third party reviewers to ensure process integrity. Newmont and the IFC will jointly verify the Ahafo project is adhering to strict social and environmental standards in accordance with World Bank Guidelines and Newmont’s corporate policies. Newmont has committed to utilize independent reviewers to periodically assess the project against both its social and environmental commitments and to measure progress in the areas of sustainable community development.

Newmont knows from experience that understanding and addressing concerns is paramount to the success of the Ahafo Project. Newmont, as an affiliate of a global company, has learned from previous challenges in Peru and Indonesia that listening to, engaging, and developing a relationship with the community is critical for successful long-term development and operations.

**Lessons from Indonesia and Peru**

In Indonesia, following allegations that operations affected the health of a group of local people, Newmont reports that the company sought critical reviews by the World Health Organization, Australia’s Commonwealth Scientific and Industrial Research Organization and the Indonesian government. Newmont feels these studies conclude that operations did not harm the health of people living in proximity to the mine or the environment. But misunderstandings within the community may have been prevented had Newmont gained a better understanding of the issues and developed a better relationship with the community.

At Yanacocha, Peru, after failing to recognize the depth of concern among local communities generated by the proposed expansion of operations on the Cerro Quilish deposit, Newmont agreed to immediately stop all activities, remove the deposit from the operational plan and undertake a comprehensive regional hydrology review in conjunction and coordination with the community and an independent third party. Stoppage was a loss to both the company and the community and will require time and effort on both parts to determine if there is a future for Cerro Quilish.

**Commitment to Environmental Management, Strong Local Relationships**

To protect the environment, minimize risk to the communities around the Ahafo mine, and to engage the local communities in a participatory process to fuel sustainable development, Newmont has publicly committed to include design features in the construction of mine facilities that exceed local requirements and would satisfy global and U.S. environmental standards. Additionally, the firm will comply with international standards including:

- The International Cyanide Management Code
- Environmental design requirements promulgated in Nevada, USA
- Universal Declaration of Human Rights
- Publish What You Pay/Extraction Industry Transparency Initiative (EITI) Statement of Principles
- World Bank Safeguard Policies and the Equator Principles
- International Council on Mining and Metals Sustainability Principles

Adherence to these standards requires a well developed management strategy and ongoing performance assessment. Newmont will utilize external auditors to assess its operation and evaluate the effectiveness of established management systems and performance in managing key risks. Newmont implements the 5-Star integrated management system, based on the principals of ISO 14001 to ensure continuous improvement in the areas of health and safety, environmental management, and social responsibility.

The results of the external assessment, the successes and challenges or opportunities for improvement are published for public review in the [Ahafo Project Now and Beyond Report](http://www.newmont.com/en/social/reporting/) – in accordance with the Global Reporting Initiative and the Institute of Social and Ethical Accountabilities standard on stakeholder engagement.
Development Landscape

The impact of industry commitments is limited without concurrent development of district capacity to lead and sustain development and local economic growth. While Asutifi and Wassa West capacities vary in some aspects, both are heavily reliant on the mining sector for infrastructure improvements and basic services. For reasons not unique to these districts and Ghana, the companies have assumed roles traditionally in the government realm.

The Alliance recognizes that Asutifi and Wassa West districts are relatively poor, with few economic opportunities outside of the mining operations. A large majority of the two districts’ residents are farmers with limited knowledge of a market-driven approach, commercialization techniques and effective farming practices.

While Ghana’s decentralization policy framework for democratic decentralization is relatively strong, decentralization, or even devolution, of authorities and resources that support sustainable development and local economic growth lags. Additionally, local government officials lack the technical expertise and experience to act on their existing authorities, manage existing resources and lobby for more, and deliver the basic services essential to healthy and prosperous lives, livelihoods and businesses.

Revenue picture: The State is the owner of all minerals occurring in their natural state within Ghana’s land and sea territory\(^1\). The bulk of the revenue from royalty payments remains at the central level, with flows to the localities of the mines allocated according to a formula: 10% of the royalties generated by a mine flow back to the locality of revenue generation and is distributed among the DA (5.5%); traditional leaders/ Chiefs and Elders, (3%); and the Administrator of Stool Lands (1.5%). Figure 2: Mining Royalty Revenue Flow, following, illustrates the distribution.

\(^1\) The legislative framework for mining in Ghana is laid down in the Minerals and Mining Law, 1986, PNDCL 153 (Law 153) as amended by the Minerals and Mining Amendment Act 1993, Act 475 (Act 475) and modified by the provisions of the Constitution of 1992 (the Constitution). Within this legal framework, the State is the owner of all minerals occurring in their natural state within Ghana’s land and sea territory, including its exclusive economic zone. All minerals in Ghana are vested in the President on behalf of and in trust for the people of Ghana. Thus, regardless of who owns the land upon or under which minerals are situated, the exercise of any mineral right requires, by law, a license to be granted by the Minister for Mines (the sector Minister) who acts as an agent of the State for the exercise of powers relating to minerals.
Regardless of distribution, there are virtually no systems or practices to support accountability for royalty revenue and link it to services, infrastructure improvements or other public uses.

Mining companies operating elsewhere in Ghana observe [that] the accountability mechanisms regarding the use of these royalties lack transparency and local development funded by these royalties focuses on district capitals rather than on the rural areas ...

A challenge for the Ahafo project, according to [Newmont] staff, relates to royalty distribution and usage. By law, traditional and civil authorities will receive a percentage of these royalties. It is still unclear how the traditional authorities will use it. During the CEP visit, chiefs were quite clear that it is at their sole discretion how they would use the money.

The Government of Ghana, Gold Fields and Newmont have committed to follow the standards for royalty revenue accountability laid out by the Extractive Industries Transparency Initiative (EITI)\(^2\). The EITI aims to ensure that the revenues from extractive industries contribute to sustainable development and poverty reduction. At the core of the initiative is a set of principles and criteria that establish how EITI should be implemented. The Ghana mining industry, including Gold Fields and Newmont, the GOG and the Ghana Chamber of Mines have been strong EITI supporters for some time. The Alliance views implementation of EITI standards, therefore, as a target of opportunity for work in year one.

GAIT II baseline performance data for Asutifi District (gathered, June-July 2005) places the DA even or slightly ahead of its nine counterpart GAIT II districts in seven of nine performance areas on the project’s DA capacity index, including performance in:

1. Participatory decision-making (average)
2. Citizen involvement in development planning (average)
3. Networking and coalition building (weak)
4. Ethics and accountability (weak)
5. Resource mobilization and dynamism (very weak)
6. Communication (weak)
7. Public private partnerships (very weak)
8. Participatory budget process (weak)
9. Responsiveness to education advocacy (weak)

Progress up the five-tiered performance scale, particularly above the average or high marks, is challenging. Of special concern, Asutifi DA fell below its counterpart DAs (with very weak ratings) in two key performance areas: resource mobilization and public-private partnerships. Preliminary data gathered in April 2006 shows Asutifi DA is likely to have met or exceeded its local revenue target for fiscal year 2005, but it achieved 59% of target in FY2004. Wassa West DA achieved 75% of its FY2005 local revenue target. FY2004 data is not available.

Wassa West District committed to the GAIT II project in fall 2005, after the gathering of baseline data; thus, DA capacity index comparison data is not available. The following excerpt from a GTZ field report provides a look at perceptions expressed in interviews of NGO’s, youth and women’s groups, rural banks, transporters and market women, and Assembly Members.

\(^2\) The EITI supports improved governance in resource-rich countries through the full publication and verification of company payments and government revenues from oil, gas and mining. Many countries are rich in oil, gas, and minerals and studies have shown that when governance is good, these can generate large revenues to foster economic growth and reduce poverty. However when governance is weak, they may instead cause poverty, corruption, and conflict – the so called “resource curse”. The EITI aims to defeat this “curse” by improving transparency and accountability. Source: http://www.eitransparency.org/about.htm
... There is no transparency about the activities of the DA regarding planning and budgeting or expenditure and implementation processes. The question was, "What happens with all the money we pay to the District regarding taxes, rents and other rates? Even the members of the District Assembly interviewed are not adequately informed and complain about their limited knowledge of their rights, responsibilities and duties ...

Public infrastructures, such as markets and lorry parks, are dilapidated due to lack of the DA’s inability to provide funds necessary for running costs and maintenance. Consequently sanitation problems, cleanliness and waste management, are not solved. The district does not respond to demands, ideas and initiatives of civil society groups, youth and women, leading to disengagement and frustrations and threats for open protest rallies. The district administration cannot cope with the booming economic development ...

– Dr. Wolfram Fischer, GTZ, Wassa West District Field Visit, June 2005

GAIT II baseline data on civic advocacy performance (also gathered in June-July 2005) places Asutifi district citizen groups fairly even with their nine counterpart project districts in:

1. Participatory management and governance of their organizations (high)
2. Effective advocacy (very weak)
3. Network and coalition building (very weak)
4. Participation in local government (very weak)
5. Resource mobilization and management (weak).

Wassa West civic performance data was not available.

Regarding local advocacy, there have been notable events where misperceptions and misinformation from advocacy groups have needlessly alarmed citizens. Such events have the potential to delay positive action, harm the reputations of many groups, contribute to fear and unrest and undermine relationships that are important to sustainable development. Alliance assistance to civic groups will include training in how to consider and communicate scientific data, such as water quality information, and use it to build responsible advocacy and public service programs. This assistance can have the added benefit of strengthening local systems for access to information, building understanding and trust between varied interests and supporting informed, healthy skepticism as an important aspect of effective advocacy.

Both districts have organized Working Together start-up sessions with GAIT II. As part of the Working Together approach, the districts have formed Innovation Teams (I-Teams) that join local government, traditional authorities, media and citizens, including business, to engage many to develop and act on innovative ways to address local priorities.

Asutifi I-Teams are working on the priority issues of Asutifi-investor relations, tax payments, pupil retention and sanitation.

Wassa West I-Teams are working on the priority issues of local revenue mobilization, sanitation and potable water.
5. Year One Approach

This is a preliminary year one approach intended to capture what is known about supportive activities underway and planned in the near-term and to pencil a roadmap of possibilities for consideration by Alliance members, implementers and stakeholders in Asutifi and Wassa West and in the mining industry.

Brief narratives of year one plans, by objective, are followed by a preliminary results framework and an activities roadmap for year one. The results framework includes intermediate results for each objective and suggested performance indicators. The map provides illustrative activities, brief descriptions, timeframes and cost estimates, where practical. The framework and map are fodder for vetting in June and July and deliberation at the August 7-8, 2006, stakeholder planning session.

This year one approach does not consider Alliance management activities which were covered in Section 3, Alliance Framework for Collaboration.

Objective 1: Strengthened democratic local governance

Over the term of the Alliance, objective one supports a transition of local development leadership and service delivery responsibilities from the mining companies to local governance structures, including DAs, civic organizations and traditional authorities. The Alliance recognizes that a total shift cannot occur in four years and envisions a gradual transition.

It is important to note that while Gold Fields and Newmont are primary development agencies in the Wassa West and Asutifi districts, the companies are not working in every corner of the districts. In Wassa West, for example, Gold Fields is the development agency in its 16 primary stakeholder communities, but not for every community in the district or for the entire Tarkwa metropolitan area.

Increased local competence, buttressed by increased political will, is fundamental to this shift. Objective one focuses on developing the capacities of three key groups with strategies and activities to strengthen priority capacities that affect community development, economic growth and the operations of mining companies. Activities are designed to support the following results in Asutifi and Wassa West districts:

1. DA capacity to manage the business of democratic local government is strengthened, with assistance to develop competence in facilitative leadership; collaborative planning; resource mobilization and management; infrastructure and service improvement; and, communication and customer service.

   This objective includes targeted assistance to strengthen DA technical capacities in areas critical to the Alliance commitment. This work includes assistance to increase local government capacity to advocate on the national stage for increased authority and resources, including an equitable share of revenue from industry, and attention and assistance from donor and development organizations.

2. Local civic organizations’ capacity to advocate for constituencies and collaborate for sustainable development is strengthened, with assistance to develop organizations’ competence in facilitative leadership; communication; serving as a watchdog and partner for development; building organizations that last.

   Performance Indicators:
   - Asutifi, Wassa West DAs show improved or maintain high performance in revenue mobilization; participatory decision-making, planning and budgeting; ethics and accountability; public private partnerships; communication
   - Asutifi, Wassa West DAs meet annual local revenue targets; meet or exceed prior year local revenue
   - Asutifi, Wassa West citizen groups undertaking increased number of advocacy issues, disaggregated by degree of complexity

   Optional: % of revenue generated by mining industry flowing to Asutifi and Wassa West districts
responsible watchdog and partner for development; and, building civic organizations that last.

3. Traditional authorities’ capacity to promote an environment favorable to economic growth and democratic local governance is strengthened. The Alliance will focus on strengthening the priority skills of facilitative leadership; communication; and, collaborative planning.

GAIT II, SEED and LEEP, and others on the ground in Asutifi and Wassa West are already providing capacity building to these groups. Citizen groups, in particular, have received relatively more training and assistance than local government. Stakeholder consultations, standing advisory committees and other initiatives and activities led by Gold Fields and Newmont have reached all three groups.

The year one strategy places a special emphasis on strengthening DA competencies in recognition of the significant capacity gaps and the critical role of local government as an enabler of, or barrier to, sustainable development and local economic growth.

The year one strategy also seeks ways to catalyze a shift in the leadership roles traditional authorities elect to play in Asutifi and Wassa West. For example, there is a powerful opportunity for local authorities to model transparency and accountability – and partnership with government and private sector – through adherence to EITI standards for reporting revenue from mining. The mining industry and Government of Ghana are committed to act on the commitment to EITI implementation in early 2007. Whether traditional authorities – and DAs – will join the Ghana EITI can only be determined through consultations on the ground.

Assistance to strengthen competencies considers the human capacities as well as system capacities, such as development planning and budget processes and practices, infrastructure planning and management systems, and financial management and reporting systems. There has been discussion of the potential to support selected information and communication technology (ICT) applications – such as databases of property and businesses, land use, and finance and budget information – that can help districts move from speculative to informed planning and decision-making. It is also envisaged that ICT applications can help districts increase internally generated revenue. This workplan assumes ground covered in year one will point to affordable and appropriate entry points for ICT applications that can be sustained after the term of the Alliance. For example, the GAIT II partner District of Suhum-Krabo-Coaltar has developed property and business databases and related financial management systems that can inform work in Asutifi and Wassa West.

Many of the activities under this objective will be implemented by GAIT II and supplemented with additional activities and implementers as Alliance members determine. Some activities outlined for year one are supportive of objectives two and three results, creating potentials Alliance members and partners can consider while vetting the workplan.

**Objective 2: Enhanced economic opportunities through local private sector**

Objective two activities are designed to expand economic opportunities and local productivity of people living in the mining areas. Objective two encompasses the work of:

1. SEED and LEEP, funded by Gold Fields and Newmont, respectively
2. TIPCEE, funded by USAID
3. AAGI, funded by Newmont
4. SME Linkages, funded by Newmont with 1:1 match from IFC.

Over the term of the Alliance, many of the objective two resources will be applied through the existing SEED and LEEP programs implemented by OICI. SEED and LEEP include a multitude of economic opportunity initiatives, including various agriculture projects, value adding activities and vocational/livelihoods training. OICI will work closely with the USAID-funded TIPCEE project and other implementing partners to be selected.
In Asutifi District

LEEP’s aim is to improve livelihood security and quality of life to residents of towns and surrounding rural communities in the area affected by the mine operations in Ahafo (Asutifi District), particularly those physically or economically displaced by the mining operations. As a comprehensive suite of activities, LEEP will address the needs of approximately 2,000 households (10,000 beneficiaries). Key components related to the Alliance include training and technical assistance to:

- Improve sustainable food and cash crop production
- Reduce post-harvest and storage losses
- Create and strengthen small and medium-size enterprises
- Improve technical and organizational capacity among women
- Enhance technical and vocational skills for youth
- Increase access to micro-credit.

The LEEP grant will be modified to ensure implementers work in collaboration with the implementers of TIPCEE and that the selected products are integrated into the LEEP project. NGGL has committed $1,219,000 per annum to LEEP. Those elements of the program which relate to livelihoods and economic development constitute roughly 80% of the total or about $960,000 per annum for five years. TIPCEE’s annual cost would be about $25,000.

Newmont has two additional economic opportunity activities now in the early stages:

- SME Linkages program
- Ahafo Agribusiness Growth Initiative (AAGI)

**SME Linkages**, a program of the International Finance Corporation (IFC) in Ghana, aims to enhance the capacity of approximately 60 local businesses and two key financial institutions in this three-year period. Over a three-year period, it will:

1. Initiate a supplier development program that will include training and mentoring for local businesses
2. Identify commercially viable market opportunities additional to those offered by company operations
3. Provide targeted technical assistance for financial and non-financial organizations to improve the capacity of lenders to give credit
4. Deliver support services to local businesses in financial management and business plan development to improve their ability to qualify for credit.

Newmont has committed $150,000 per year for three years, to be matched 1:1 by IFC.

**Ahafo Agribusiness Growth Initiative**: In coordination with existing agricultural development projects undertaken through LEEP, Newmont is devising a project partnership with a consortium of three organizations familiar with the challenges within Ghana: African Connections and DAI with ShoreBank. The consortium will focus on increasing economic opportunity for project-affected farmers through the growth of key agribusiness sectors, such
as palm and cocoa. The partners will work directly with the affected farmers in exploring ways to intensify agricultural production through improving inputs, increasing the effectiveness of agricultural extension services, improving agronomic practices, integrating pest management, and enhancing post-harvest storage and export marketing. Newmont has committed $200,000 per year for five years to the AAGI.

In Wassa West District

Gold Fields Ghana (GFG) granted funds to OICI in July 2005 to implement the five-year-long SEED program. The program is a partnership with OICI, the Wassa West District Assembly, other governmental ministries and local community members. The 16 target and beneficiary communities, primary stakeholder communities, are located on, or immediately adjacent to the Gold Fields Abosso and Tarkwa mining leases and have been affected to varying extents by Gold Fields mining operations. There is an on-going community assistance program being undertaken by the firm’s Community Affairs Department. Components already being implemented or planned for implementation are incorporated in this plan.

SEED is a high impact, results focused, sustainable and integrated community development program that focuses on economic growth, wealth creation, quality of life improvement, and empowerment through education, capacity building and infrastructure development which can be replicated in mine affected communities all over the world. To ensure sustainability and community ownership, SEED is engaging the Gold Fields staff, the DA and Ghana government ministries, NGO partners, donors, and community representatives (traditional rulers, women, men, youth groups) in the program design in order to secure their commitment and participation in the implementation process. SEED is mobilizing human, material and financial resources, community support, and the technical expertise needed for the successful execution of the program and for monitoring and evaluation of results and impact. With Alliance approval, Gold Fields will task SEED implementers with developing collaboration with the TIPCEE implementers, assuming TIPCEE identifies suitable, viable products.

SEED’s overarching goal is to improve the livelihoods and the quality of life of 30,000 poor, vulnerable men, women and children by 2010. Three program objectives directly affect the Alliance:

1. Increase income and economic opportunities of 4,000 households in the 16 primary Gold Fields stakeholder communities through increased agriculture production for cash and food crops, animal production, post-harvest loss reduction, value addition and processing and the creation and expansion of small and medium enterprises and agri-businesses

2. Improve level of education and livelihood skills of 5,000 youth and adults residing in the 16 primary Gold Fields stakeholder communities by placing youth in vocational and technical school programs through a scholarship program and an industrial training and apprenticeship program for trades related to the mining industry

3. Increase sustainability of SEED interventions for long-term results and impact and to support company’s social license to operate in the district.

SEED focuses on achieving three intermediate results: Sustainability planning and exit strategy development; increased engagement and collaboration of regional administration, DA, local and international NGOs, donors and stakeholders in community development planning; and, increased local contracting capabilities to encourage local business and build local capacity.

These results will be achieved through careful identification of exit strategies for each intermediate result and activities such as stakeholder consultation planning meetings, joint implementation and sharing of private and public resources, and training and capacity building for District assembly members.

The SEED grant will be modified to ensure Alliance implementers work in full partnership and collaboration with TIPCEE implementers and selected export products are integrated. Gold Fields has committed approximately $1.2 million per annum for the SEED program, of which an average of $580,000 per annum is for the livelihood components, $11,000 per annum is for vocational training programs, and $17,000 per annum is for related sustainability initiatives, resulting in an annual Gold Fields commitment of $608,000 per annum for this activity. TIPCEE’s annual cost will be approximately $25,000.
TIPCEE’s goal is to increase the competitiveness of Ghana’s private sector through an improved enabling environment and a strengthened capacity of the private sector to respond to market demands. The objectives are grouped into four broad categories:

1. Expanded market access
2. Improved performance of enterprises and smallholders
3. Increased delivery of demand-driven business services, and
4. Reduced policy and regulatory constraints.

In year one, TIPCEE will identify a number of opportunities in mine-affected communities that could provide appropriate and attractive employment possibilities and income generating activities relating to agricultural and horticultural commodities for export. It is proposed that TIPCEE work directly with OICI and its projects as part of the Alliance.

TIPCEE will conduct needs assessments in target communities to determine suitable interventions; select suitable commodities and sites for implementation; conduct market assessments of the selected commodities to ensure profitability and sustainability; establish production pilots of selected commodities; establish benchmarks for production and logistic linkages to domestic and export markets; and expand coverage of selected commodities. If successful activities are identified in the two Districts, annual costs are estimated at $50,000.

Objective 3: Promotion of responsible mining practices

Objective three is designed to develop a knowledge base of responsible mining practices through exploration and consultation within the industry, in the communities of Asutifi and Wassa West and other mining districts, and with stakeholders in Ghana, including national and local government and the news media. Activities will help local, regional and global partners identify ways to balance diverse interests, create synergies and identify actions, including advocacy potentials, important to a roadmap for responsible mining and sustainable development in mining communities in Ghana and beyond.

Topics will be explored and lessons shared through varied district and national level venues, including the Alliance Secretariat, the Ghana Chamber of Mines, the Sustainable Development Forum, the news media, professional associations, advocacy groups and civic unions, USAID/Ghana and the international donor community. Coordination will be done through the GDA Coordinating Unit with an implementing partner chosen by the Alliance members.

High priority year one activities include developing a learning agenda, instituting implementing mechanisms that build on existing institutions and vehicles to support sharing and exploration of experience in mining and sustainable development, and promoting awareness of the learning network and how to participate.

Developing a Learning Agenda

The Alliance has identified preliminary topics for the learning agenda. They include:

Social Impact Assessment and Public Consultation: General standards and contents; Cultural resources; Public consultation; and Decision processes.
Resettlement: Use of resettlement committees and structure; compensation determination; design of resettlement communities and standards; Livelihoods; and Resettlement Action Plans (RAPs).

Reclamation/Rehabilitation and Closure of Mine Sites: Closure Plans; land access/use rights in post closure period; integration of closure plans to district land use/development plans; Management of sites after closure – responsibilities; conservation “offsets”, and Land-use planning at various stages.

Economic Benefits: Contracting (including with stakeholder communities); Purchasing; Employment – mining companies and contractors; capacity building in local economy to serve the needs of the mine; capacity of Districts to manage economic benefits; management by government of revenue streams from industry; stool fees; taxes; royalties; dividends; equitable allocation by government of funds for development in mining areas; Extractive Industry Transparency Initiative; donor funding for development of mining areas; and Sustainability and avoidance of “boom and bust”.

Community Development Activities by Mining Companies: Sustainable Community Development Plans; consultation with and participation/contribution of communities, local and central government; Use of competent implementing organizations; coordination with other development activities

Government and Industry Accountability, Service and EITI: Linking mining revenue to local improvements in infrastructure and services

Partnership with donors and government programs for development: Alliances; gender issues in development; performance monitoring and evaluation; and, primary stakeholder communities’ involvement with local district development.

Community Relations and Governance: Mine Community Consultative Committees; capacity building in community and local government structures; consultation with District Assembly; consultation with central government; public access to mine sites; improvements (farms/building) on mining leases; speculative activities on leases by community members; cultural issues and impact; and Environmental Protection Agency (Ghana) capacity development.

Human Rights: Site security; conflict resolution; role of local government, police, armed forces, central government; child labor; and, gender issues.

Artisanal Mining: Environmental impact.

Instituting Implementation Mechanisms

Year one activities support development of implementing mechanisms to lay the foundation for immediate and long-term outcomes under this objective. Those activities include:

- Organize national level sustainable development forum to discuss the process, define and agree on the concept of “best practices,” seek commitment of actors and define institutional partner.
- Carry out field assessments, including local forums, to identify what has worked for social and environmental practices, locally and internationally
- Conduct case studies on emerging best practices and innovations in selected areas
- Organize local, national and regional development forums to share results of case studies, seek inputs from stakeholders, and validate the relevance of case studies to the Ghanaian context and implications for policy, corporate and local government practices, and responsibility of traditional leaders and citizens
- Finalize documentation of best practices in a way that helps Alliance partners determine how this affects their approaches to development challenges in Ghana and beyond.
- Disseminate results at local, national, regional and international levels.
- Promote news media awareness and capacity to cover responsible mining practices emerging through Alliance
• Support inclusion, ownership and institutionalization of responsible mining practices and emerging guidelines through work with institutions, such as the Minerals Commission, Ministry of Mines and the Chamber of Mines.

The existing Sustainable Development Forum will continue its work with Alliance members. The forum has been active since 2005, with the support of Gold Fields through the Ghana Chamber of Mines. Newmont has demonstrated willingness to join in support of the forum. The forum’s objective is to increase awareness of development needs in mining area communities, share best practices and lessons learned, and promote further study and analysis on issues that arise.

Additionally, Gold Fields and Newmont staff and contracted support will continue advocacy for implementation of the EITI, increase in percentage of mining revenue to mining areas, and further efforts to expand donor interest in collaborative initiatives in mining areas. A scope of work can be developed and a selection be made jointly in determining the appropriate implementer for this important work. The combined cost is estimated at $75,000 per annum, financed equally by the Alliance members.

Mapping Out Year One

A preliminary results framework and an activities roadmap follow. Both are fodder for vetting in June and July and deliberation at the August 7-8 stakeholder planning session.
6. Preliminary Results Framework [Draft]

Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West districts

**Optional Performance Indicator 1:** Asutifi and Wassa West Districts maintain or show improved performance in Sustainable Community Development. [Monitored through a Sustainable Community Development Index]

**Optional Performance Indicator 2:** Asutifi and Wassa West citizens in communities affected by mining operations are expressing increased satisfaction with local government services, local leadership and local employment/livelihood opportunities. [Monitored through annual citizen satisfaction survey or facilitated focus groups]

### Objective 1: Strengthened democratic local governance

**Key Results:**
1.1 DA capacity to manage the business of local government strengthened
1.1.1-1.1.6 Increased competence in facilitative leadership; collaborative planning; resource mobilization and management; infrastructure and service planning delivery; communication and customer service; advocacy on national stage
1.2 Local civic organizations’ capacity to advocate for constituencies and collaborate for sustainable development strengthened
1.2.1-1.2.4 Increased competence in facilitative leadership; communication; serving as a watchdog and partner for development; building organizations that last
1.3 Traditional authorities’ capacity to promote an environment favorable to economic growth and democratic local governance strengthened
1.3.1-1.3.3 Increased competence in facilitative leadership; communication; collaborative planning

**Performance Indicators:**
Asutifi, Wassa West DAs show improved or maintain high performance in revenue mobilization; participatory decision-making, planning and budgeting; ethics and accountability; public private partnership; communication
Asutifi, Wassa West citizen groups undertaking increased number of advocacy issues, disaggregated by degree of complexity
Optional: % of revenue generated by mining industry flowing to Asutifi and Wassa West districts

### Objective 2: Enhanced economic opportunities through local private sector

**Key Results:**
2.1 Improved enabling environment in Asutifi & Wassa West
2.1.1 Reduced policy and regulatory constraints
2.2 Strengthened capacity of Asutifi and Wassa West private sector to respond to market demands
2.2.1 Expanded market access
2.2.2 Improved performance of enterprises and smallholders
2.2.3 Increased delivery of demand-driven business services
2.3a Improved livelihood, security and quality of life for residents of towns and surrounding rural communities in the area affected by mine operations in Ahafo
2.3b Improved livelihoods and quality of life for residents of towns surrounding rural communities in the area affected by mine operations at Tarkwa and Damang
2.3c Improved level of education and livelihood skills of 5,000 youth and adults residing in the 16 primary Gold Fields stakeholder communities
2.4 Increased economic opportunity for Ahafo project-affected farmers through the growth of key agribusiness sectors, such as palm and cocoa

**Performance Indicators:**
As designated in USAID Economic Growth PMP, disaggregated by target districts of Asutifi and Wassa West (and gender, where applicable)
**Optional:** Indicator to monitor improved SME access to credit/financing solutions in Asutifi District, disaggregated by gender, other

### Objective 3: Alliance is promoting responsible mining practices

**Key Results:**
3.1 Knowledge base of responsible mining practices in Ghana established
3.2 Ghana responsible mining learning network active and institutionalized
3.3 Media coverage of Ghana mining issues and practices improved in accuracy, balance, comprehensiveness
3.4 Strengthened capacity of industry, civic and professional organizations, government to contribute to and use practices for responsible mining
3.5 National and local policy/regulatory framework for mining influenced by responsible mining practices and learning network

**Potential Performance Indicators:**
# of practices contributed, disaggregated by locale, sector of contributor, issue/category, gender of contributor
# of government policies and regulations influenced by practices emerging from the Alliance, disaggregated by level of government
EITI standards for reporting adopted and followed by GOG, local government, traditional authorities, mining concerns in Western, Brong Ahafo regions
# of Ghana mine operators’ practices that are changed as a direct result of Alliance practices and learning network
# of DA bylaws and practices that affect mining operations, sustainable development and local economic growth instituted or changed as a direct result of Alliance practices and learning network
Performance Management

The preliminary results framework, illustrated on the prior page, incorporates:


2. Suggested indicators for monitoring and informing work under objective three.

3. Two optional indicators with the potential for informing work and monitoring progress across the results and toward the vision of “prosperous, healthy and lasting communities in Asutifi and Wassa West.” These optional indicators may, in fact, be supported by data and instruments Alliance members have or intend to develop.

This is a preliminary framework and suite of indicators culled from among many possibilities. The Alliance’s potential to support USAID’s strategic plan, two strategic objectives and expansion of the aims of the Food for Peace Title II program was a determining factor in forging this partnership. The intent, therefore, is to apply performance information that exists within USAID, Gold Fields and Newmont, implementing organizations, and in the communities of Asutifi and Wassa West.

Performance Management as an Opportunity to Model Informed Decision-Making

There is no lack of data in the existing systems. In fact, data smog is a threat that can be kept at bay with early attention to basic questions, such as:

- Different partners may define alliance success in different ways and hence be interested in tracking different alliance results. What results do we want to track and consider together?
- What information is needed by whom, when and with what rigor?
- What costs are involved and what are we willing to pay?
- How can Alliance performance data strengthen decision-making in Asutifi and Wassa West?

Responses to these questions will be as diverse as the Alliance players. An excerpt from the USAID Toolkit for Alliance Builders, “Managing an Alliance,” is included as Annex 5 and provides tips for using this diversity to the advantage.

The Alliance has an opportunity through stakeholder involvement in performance management to model how market-driven businesses, local governments and civic organizations gather and use data to make informed decisions, improve business and government services, and strengthen understanding and trust. Stakeholder involvement in the selection of key, common indicators and the design of a transparent and useful performance management system can strengthen district capacities while building a database of information people can use.

A discussion of performance management will be included in the stakeholder planning workshop scheduled August 7-8, 2006.
### 7. Year One Activities Roadmap

**Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West Districts**

<table>
<thead>
<tr>
<th>Results and Illustrative Activities</th>
<th>Timeline</th>
<th>Target District(s):</th>
<th>Implementers:</th>
<th>Estimated Costs:</th>
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</thead>
<tbody>
<tr>
<td>Objective 1: Strengthened Democratic Local Governance</td>
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<tr>
<td>1.0 Identify implementer(s) for DA technical capacity building component of objective one, define how DA capacity building component, GAIT II approach meld</td>
<td>June 06</td>
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<tr>
<td>1.1 DA capacity to manage the business of local government is strengthened</td>
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<td>To be determined by Alliance members</td>
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<tr>
<td>1.1.1: Conduct technical exchange visit to Tshwane, Durban or similar South African city. Objectives: Provide a look at a well-managed, responsive municipal government in a city with a mining legacy; generate excitement about possibilities for Asutifi and Wassa West DAs. Participants: Up to 12 individuals from Asutifi and Wassa West, with a mix of Presiding Member or F&amp;A Subcommittee Chair; Planning, Finance, Budget Officers; DCD; Traditional Leaders; citizen group and news media representatives Participants will (a) share their experience, at minimum, in their districts and venue(s) provided through Objective 3, and (b) identify a task where they can apply experience immediately</td>
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<td>Target Districts:</td>
<td>Asutifi and Wassa West Implementer(s):</td>
<td>As determined by Alliance Est. Cost:</td>
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<td>Implementers:</td>
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<td>$27,000</td>
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<tr>
<td>1.1.2: Work with selected, existing GAIT II Innovation Teams (I-Teams) as entry points for provision of training and technical assistance in quality service improvement Wassa West-Assist Sanitation I-Team. Training can include technical exchange visit to Gold Fields Tarkwa Mine to promote learning about sanitation techniques from GFG professional staff. Asutifi-Assist DA-Investor Relations team or Tax payment team</td>
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<td>Target District:</td>
<td>Asutifi and Wassa West Implementer:</td>
<td>To be determined by Alliance with GAIT II Est. Cost:</td>
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<tr>
<td>1.1.3a: Support DA use of participatory budget practices – as developed and promoted by GAIT II Participatory Budget Pacesetter Team – for DA 2007 budget preparation 1.1.3b: Provide technical assistance to strengthen DA capacity to communicate financial information to Assembly Members and citizens. Includes support for reporting mining revenue through action on EITI leadership of Gold Fields, Newmont, GOG.</td>
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<td>Target Districts:</td>
<td>Asutifi and Wassa West Implementer(s):</td>
<td>As determined by Alliance Est. Cost:</td>
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The Ghana Responsible Mining Alliance

Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West Districts

### Results and Illustrative Activities

<table>
<thead>
<tr>
<th>Target District(s):</th>
<th>Implementers:</th>
<th>Estimated Costs:</th>
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<tr>
<td>Asutifi and Wassa West</td>
<td>As determined by Alliance</td>
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<tr>
<td>Asutifi and Wassa West</td>
<td>GAIT II; others as determined by Alliance</td>
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<tr>
<td>Asutifi and Wassa West</td>
<td>As determined by Alliance</td>
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<tr>
<th>Objective 1: Strengthened Democratic Local Governance</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>June 06</td>
<td>July 06</td>
<td>Aug 06</td>
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<tr>
<td>1.1.4: Provide facilitative leadership training and follow-up support to a mix of Assembly Members, traditional authorities, members the DA management team, and heads of key decentralized departments, such as health, education and feeder roads. Use training to prepare ground for a cross-sectoral leadership network for learning and action, including action to strengthen the district planning process, fuel Alliance Objective 3. (Conduct after local elections.)</td>
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<td>1.1.5: Support development of Working Together Spots in local government facilities. Working Together Spots are information/service centers that:</td>
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<tr>
<td>a) Support sharing of information and collaboration between DAs and citizens;</td>
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<tr>
<td>b) Serve as an entry point (nose in the camel’s tent) for improvements in access to information and service; and,</td>
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<tr>
<td>c) Provide a focal point for strengthening DA communication and customer service skills through training, technical assistance.</td>
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<tr>
<td>d) Can serve as business information/service centers to support Objective 2 and gathering places for preparing and sharing practices to support Objective 3.</td>
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<tr>
<td>1.1.6: Support development and implementation of a strategy, including an advocacy agenda, to increase capacity of local government to advocate on the national stage to:</td>
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<tr>
<td>a) Attract donor/development community attention and resources to mining communities</td>
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<tr>
<td>b) Enhance local authorities and resources, including share of revenue from mining industry, flowing to mining areas</td>
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</table>

1.2 Local civic organizations’ capacity to advocate for constituencies and collaborate for sustainable development is strengthened

[Increased competence in facilitative leadership; communication; serving as watchdog and partner for development; building civic organizations that last]
Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West Districts

<table>
<thead>
<tr>
<th>Results and Illustrative Activities</th>
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<td>Objective 1:</td>
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<tr>
<td>Strengthened Democratic Local Governance</td>
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<tr>
<td>1.2.1: Support civic accountability and responsible advocacy with mining-specific communication and advocacy learning series for citizen groups, civic unions, news media and other communities of interest. Learning series will cover techniques that can help advocacy groups and media consider and communicate scientific data, such as water quality information, and use it to build responsible advocacy programs.</td>
<td>June 06</td>
<td></td>
<td>Target Districts: Asutifi and Wassa West</td>
<td>Implementer(s): GAIT II with optional technical support from Alliance members</td>
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<tr>
<td>1.2.2a: Support citizen-DA partnerships for local revenue mobilization through civic partnerships with DA</td>
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<tr>
<td>1.2.2b: Provide tax collection training and service improvement planning assistance to CUs, tax collectors, DA finance personnel.</td>
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<tr>
<td>1.3 Traditional authorities’ capacity to promote an environment favorable to economic growth and democratic local governance strengthened</td>
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<tr>
<td>1.3.1a: Conduct assessment of capacity building needs and priorities in consultation with traditional authorities.</td>
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<tr>
<td>1.3.1b: Facilitate work session of traditional councils to allow them to write their “new roles” for Working Together approach and toolkit</td>
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<tr>
<td>1.3.2a: Assess traditional authorities’ will to commit to EITI and capacity/skills to act on the commitment</td>
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<tr>
<td>1.3.2b: Provide technical assistance to strengthen Traditional Authorities’ capacity to communicate financial information. Includes support for reporting mining revenue and its use to provide services to citizens</td>
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</table>
### Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West Districts

#### Results and Illustrative Activities

<table>
<thead>
<tr>
<th>Objective 2: Enhanced economic opportunities through local private sector</th>
<th>Timeline</th>
<th>Target District(s):</th>
<th>Implementers:</th>
<th>Estimated Costs:</th>
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<tbody>
<tr>
<td>2.1 Improved enabling environment</td>
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<tr>
<td>2.1.1 Assess policy and regulatory, infrastructure, land use, local capacity, other key issues affecting commercialization in the districts; identify constraints, opportunities; select suitable commodities and sites for technical assistance, implementation</td>
<td>June 06</td>
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<tr>
<td>2.1.2 Develop strategies</td>
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<td>2.2 Strengthened capacity of the private sector to respond to market demands</td>
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<tr>
<td>2.2.1 Support for agriculture livelihood enhancement; value adding, vocational training</td>
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<tr>
<td>2.2.2 Expanded market access; improved performance of enterprises and smallholders; increased delivery of demand-driven business services</td>
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<tr>
<td>2.3a Improved livelihood, security and quality of life for residents of towns and surrounding rural communities in the area affected by mine operations in Ahafo. [Program design with stakeholders, 2006]</td>
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<tr>
<td>2.3b Improved livelihoods and quality of life for residents of towns surrounding rural communities in the area affected by mine operations at Tarkwa and Damang</td>
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<td>2.3c Improved level of education and livelihood skills of 5,000 youth and adults residing in the 16 primary Gold Fields stakeholder communities</td>
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<tr>
<td>2.4 Increased economic opportunity for Ahafo project-affected farmers through growth of key agribusiness sectors, such as palm and cocoa (AAGI-Phase 1, assessment &amp; design)</td>
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#### Timeline

- June 06
- July 06
- Aug 06
- Sept 06
- Oct 06
- Nov 06
- Dec 06
- Jan 07
- Feb 07
- Mar 07
- April 07
- May 07

#### Targets:

- Asutifi, Wassa West

#### Implementers:

- TIPCEE and OICI

#### Est. Cost:

- To be determined
## Prosperous, healthy and lasting communities in the mining areas of Asutifi and Wassa West Districts

### Results and Illustrative Activities

<table>
<thead>
<tr>
<th>Objective 3: Promotion of responsible mining practices</th>
<th>Timeline</th>
<th>Target District(s): Implementers: Estimated Costs:</th>
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<tbody>
<tr>
<td>3.0 Identify implementing partner/organization</td>
<td>June 06</td>
<td>July 06  Aug 06  Sept 06  Oct 06  Nov 06  Dec 06  Jan 07  Feb 07  Mar 07  April 07  May 07</td>
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<tr>
<td>3.1 Knowledge base of responsible mining practices established</td>
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<td>3.1.1 Define responsible mining learning agenda (district- and national levels) – topics, issues ...</td>
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<td>3.1.2 Conduct field assessments, including local forums, to identify what has worked for social and environmental practices, locally and internationally</td>
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<td>3.1.3 Conduct research to find case studies, emerging innovations, best practices</td>
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<td>3.2 Ghana responsible mining learning network active and institutionalized</td>
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<td>3.2.1 Organize national level sustainable development forum to discuss the process, define and agree on the concept of &quot;best practices,&quot; and seek commitment of actors and define institutional partner(s)</td>
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<td>3.2.2 Develop institutionalization strategy considering integration with Sustainable Development Forum, building on existing relevant organizations and vehicles</td>
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<td>3.2.3 Facilitate institutional partner's development of business plan and supportive communication and marketing strategy to promote awareness of and participation in developing practices, learning agenda and network</td>
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<td>3.3 Media coverage of Ghana mining issues and practices improved in accuracy, balance and comprehensiveness</td>
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<td>3.3.1 Host media roundtable – in conjunction with national level sustainable development forum – to identify what media wants/needs to improve coverage of mining and sustainable development</td>
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<td>3.3.2 Integrate media feedback into business plan</td>
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<tr>
<td>Objective 3: Promotion of responsible mining practices</td>
<td>Timeline</td>
<td>Target District(s):</td>
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<td>3.4 Strengthened capacity of industry, civic and professional organizations, government to contribute to and use practices</td>
<td>June 06</td>
<td>Target:</td>
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<td>3.4.1 Identify start-up activities in Business Plan</td>
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<td>3.5 National and local policy/regulatory framework for mining and sustainable development influences by responsible mining practices and learning network</td>
<td>June 06</td>
<td>Target:</td>
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<td>3.5.1 Initiate strategy and activity development at August 7-8 Alliance stakeholder planning meeting</td>
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Annex 1: Memorandum of Understanding

GOLD FIELDS GHANA,  
NEWMONT GOLD GHANA LTD,  
and  
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) / GHANA  

PARTNERSHIP AGREEMENT  

PREAMBLE  

Although it is a nation with ample natural resources and a recent political history free from conflict and large-scale corruption, Ghana ranks a poor 138 out of 177 countries in the 2005 UN Human Development Index. USAID/Ghana Mission has been operating in Ghana since 1957 during which time it has sought to help address the many pressing needs in health, education, democracy and governance, and economic growth.

The gold mining industry in Ghana is fast emerging as the nation’s most economically significant export industry. However, gold mining is not new to Ghana and carries an unfortunate legacy of environmental degradation, health and safety hazards, and impoverishment of local communities.

Against this backdrop, contemporary gold mining companies operating in Ghana are challenged to devise and implement effective contributions to community sustainable development. Leading mining companies have dedicated and deployed significant resources to development programs but in some cases the absence of development expertise and capacity-building has resulted in their programs achieving mixed results.

The proposed Global Development Alliance (“Alliance”) is a response to the challenges that mining companies and USAID face in creating lasting improvements in the lives of Ghanaians. The three partners of the Alliance – USAID/Ghana, Gold Fields Ghana and Newmont Ghana Gold Limited – seek to collaborate on development activities of mutual interest. The Alliance will leverage the financial resources and field experience of the companies with the technical capacity and development expertise of USAID/Ghana in order to create measurable improvements in the lives of Ghanaian mining communities.

THE PARTNERS:  

Newmont Ghana Gold Limited is one of the world’s largest gold producers with operations on five continents and two new mine sites in Ghana, Ahafo and Akyem. While Newmont is a relatively new player in Ghana, the company will become a major producer of gold after both sites become operational. In late 2004, Newmont released a draft community development plan at Ahafo as part of its Livelihood Enhancement and Community Empowerment Program (LEEP). All Newmont mine sites worldwide undergo independent annual social and environmental audits through the company’s highly-regarded “Five Star Integrated Management System.”

Gold Fields Ghana (GFG) is the largest gold producer in Ghana, with investments totaling over $700 million since 1993 at its Tarkwa and Damang gold mines in the Western Region. GFG adheres to the highest international standards of environmental management at its operations in Ghana, and both the Tarkwa and Damang gold mines (and all of the company’s operations worldwide) have achieved and maintain rigorous ISO14001 certification. The Gold Fields Ghana Foundation, a legally registered charitable organization in Ghana, was established by GFG to manage funding for its social responsibility and sustainable development initiatives in Ghana. To date, development projects have been completed/initiated in the areas of health, water and sanitation, education (primary–tertiary), income enhancement/livelihoods (agriculture/agribusiness, processing/value adding, other economic opportunities, vocational training, beneficiation), and artisanal/small-scale mining (ASM).

Both GFG and Newmont have been working with local partners on development projects and have explored other MoU’s. GFG is currently working under a MoU with USAID/TIPCEE on a project designed to advance the jewelry making industry in Ghana and develop an export market for its gold jewelry products. Newmont is currently working under and MoU with environmental NGO Conservation International to innovate new ways to proactively conserve biodiversity through its operations. Additionally, GFG and Newmont have engaged the services of two development NGOs who are major USAID contractors in Ghana, Opportunities Industrialization Centres International and TechnoServe, to facilitate delivery of development projects in Ghana.

The United States government through the United States Agency for International Development (hereinafter referred to as “USAID”) is one of the largest bilateral donors to Ghana, operating in Ghana since 1957. In the last five years, USAID has provided nearly USD $300 million in assistance to Ghana in support of democracy and governance, economic and agricultural growth, education and health, including HIV/AIDS. USAID's assistance activities in Ghana are carried out primarily through USAID’s bilateral assistance mission in Ghana, hereinafter “USAID/Ghana.” USAID/Ghana works at national, state and local government levels with public, private, and civil society partners to develop frameworks and strategies to consolidate democratic rule, increase incomes and deliver services to communities.
USAID/Ghana is also working with communities themselves, particularly through women’s groups and other non-governmental organizations, to help institutionalize democratic principles and increase the capacity of these organizations to advocate for their needs and hold government accountable.

PURPOSE
Gold Fields Ghana, Newmont and USAID/Ghana (hereinafter referred to as “the Parties”) share the common goals of promoting stability and economic prosperity in Ghana, with particular emphasis on improving the quality of life in, and fostering the sustainable social and economic growth of local communities in the mining areas. The purpose of this Memorandum of Understanding (hereinafter referred to as the “MoU”) is to establish a partnership among the Parties for the achievement of these goals and a framework within which specific projects may be jointly developed and implemented in/near mining communities and elsewhere in Ghana, as may be agreed upon from time to time by the Parties. The Parties specifically acknowledge that this MoU is not an obligation of funds, nor does it constitute a legally binding commitment by any Party. Specifically, the Parties will collectively aim to carry out the following activities to the greatest extent practical within resource limitations:

• Support initiatives that will improve upon the capacity of both formal and informal local governance structures to manage and sustain economic growth and increase the self-governance and self-reliance of local communities.
• Foster innovation in, and provide support for the economic development of mine-affected communities, with a focus on export commodity development, value-added of food crops, training programs for impacted community members and unemployed youth, and food security.
• Foster communication and collaboration amongst regional and national stakeholders in order to establish a clear guide for how to implement strong social and environmental practice for mining in Ghana.

Whereas the MoU creates an understanding that the parties are willing to substantively partner (and would do so whenever the conditions are mutually beneficial), the MoU does not in any way automatically compel any of the parties to commit to any given project unless such the project concept has first satisfied each party’s internal processes and procedures, and earned formally authorized approval. Individual projects may involve all of the parties, or a subset of the parties depending upon the project’s location and applicability. This memorandum may be terminated by any party at any time, with written notice received one month prior to dissolution.

STRUCTURE
This MoU is signed with the understanding that the parties shall, pursuant hereto, execute an Addendum to agree to specific terms that shall apply to the implementation of each Sustainable Community Development project (the “Project”).

Each Addendum will be based on a project proposal hereafter called the “Scope of Work” which will provide details of the illustrative budget, implementation, management, monitoring and evaluation of the project, and expected results. All proposed projects will be circulated among the partners, discussed, and determination on inclusion will be made jointly.

Each Addendum (and any schedules attached thereto) will become an integral part of this MoU and reference to this MoU includes reference thereto.

RELATIONSHIP MANAGEMENT
Each party shall appoint a representative (hereinafter called the “Relationship Manager”) responsible for the management and development of the relationship between the parties under this MoU. The Relationship Managers shall meet at least once every month.

Each party shall notify the other in writing of the name and contact details of its Relationship Manager or such person as may be designated in his/her absence.

PROJECT FUNDING AND SUPPORT
The Parties agree to work together to develop and support development activities of mutual interest in furtherance of the goals of this MoU. The Parties anticipate their combined support to total at over USD $9.0 million, used as follows:

Subject to the availability of funds, completion of the relevant Parties’ internal approval processes, and the agreement of all relevant Parties to proceed,

USAID/Ghana Mission shall provide support (whether in cash or in kind) in an amount not less than USD$850,000 over a budget period of four years (June 2006 to May 2010), for such projects as may be agreed to by the Parties.

USAID/GDA shall provide support (whether in cash or in kind) in an amount not less than USD$400,000 over a budget period of four years (2006 to 2010), for such projects as may be agreed to by the Parties.
Gold Fields shall provide support (whether in cash or in kind) in an amount not less than USD$2,900,000 over a budget period of four years (2006 to 2010), for such projects as may be agreed to by the Parties.

Newmont shall provide support (whether in cash or in kind) in an amount not less than USD$5,500,000 over a budget period of four years (2006 to 2010), for such projects as may be agreed to by the Parties.

This MoU sets forth the basic commitment of the Parties to work in partnership to develop and carry out development activities in Ghana. The specific contributions of each party with respect to individual projects carried out in furtherance of this MoU shall be set forth in separate, project-specific Addenda. With the mutual agreement of the Parties in writing, the content of this MOU may be revisited at any time to clarify or redefine the nature and scope of the associated activities in general, or with respect to an individual project. However, the Parties agree that, in principle, such modifications shall be made with the intent of increasing the effectiveness of the Alliance in the achievement of its stated goals.

PROJECT MANAGEMENT
The parties herein undertake to implement each component based on their shared vision, common goals and in a spirit of mutual trust.

The Alliance shall establish a Coordinating Unit, to be administered by a designated USAID staffer, for basic leadership and administration. Overall leadership will be provided by the Alliance Secretariat, made up of a representative from each member. Membership in the Alliance can be expanded, if all current members agree to admit others.

INTELLECTUAL PROPERTY RIGHTS
Each Addendum shall contain appropriate provisions regarding intellectual property rights.

COMPLIANCE
Each Party shall implement this MoU and activities under it in accordance with its applicable laws, regulations and principles regarding high standards of ethical conduct and integrity, including, where applicable, the Parties’ stated policies in the areas of Ethics, Human Rights, Environment, Sustainable Development and Community Relations, and USAID’s internal requirements in these and other areas.

PUBLIC INDEPENDENCE OF THE PARTIES
Without prejudice to the terms of this MoU, the Parties agree that any Party may embark on any other project by itself without recourse to the other provided always that the said project shall not in any way undermine any existing or planned project which the Parties have already agreed to execute together. However, all new project proposals will be circulated among the partners, discussed, and determination on inclusion will be made jointly.

PUBLIC STATEMENTS AND USE OF NAME/LOGOS/MARKS
Each Party shall provide appropriate publicity for activities carried out under this MoU and its Addenda, including appropriate recognition of the contributions of the other Parties. Prior to making any press releases or any other public statements in connection with this MoU or the collaborative efforts contemplated hereunder, each Party shall obtain the prior written approval of the other Party either by facsimile or electronic mail. Each party to this MoU also agrees to not use the name, logos or marks of the other party without obtaining prior written consent of the other party.

DURATION
This MoU shall remain in effect for all Parties from the date of signing hereof until May 31, 2010, unless terminated earlier. Extension can be made by agreement of all Parties.

TERMINATION RIGHTS
This agreement may be terminated by any party at any time upon one month’s written notice to the other parties. Every effort should be made to avoid disruption of ongoing, successful projects.

CONSEQUENCES OF TERMINATION
If one private partner elects to terminate the agreement, the other private partner and USAID will have 30 days to decide if they wish to continue the Alliance in the absence of the third party. If the parties elect to continue, they must sign a revised MoU that reflects the change in Alliance structure within 30 days of the initial termination.

The party who leaves the Alliance is entitled to a refund of any of its contributed funds that have not been allocated in a signed contract or grant for an Alliance activity. In the event that a party terminates the agreement with funds already allocated to a signed Scope of Work, the party is obligated to not reclaim the funds it contributed to the activity, but will otherwise receive a refund of all other contributed funds.
NOTICES
Any notice or other formal communication to be given under this MoU shall be delivered by hand or sent by a pre-paid courier or registered post to a Party at the following address for such Party or such other address as the Party may from time to time designate by written notice to the other:

Gold Fields Ghana Limited
Attention: Dr. Toni Aubynn, Corporate Manager, Public Affairs and Social Development, Gold Fields Ghana, PO Box KA30742, Airport, Accra, Ghana: aaubynn@abosso.com

Newmont Ghana Gold Limited
Attention: Chris Anderson, Director, External Affairs, Africa & Europe, Newmont Ghana Gold Limited, PMB Airport Post Office, Accra, Ghana; chris.anderson@newmont.com

United States Agency for International Development/Ghana
Attention: TBD

AGREEMENT
In recognition of their common desires for the sustained social and economic growth of the communities in and around mining areas and other regions of Ghana, the authorized representatives of the Parties hereto have set their hands this 24th day of May 2006.

Alan Ashworth
Managing Director
Gold Fields Ghana Ltd.

Sharon L. Cromer
Mission Director
USAID/Ghana

Bill Zisch
Managing Director
Newmont Ghana Gold Ltd.

Date

Date

Date
Annex 2: Brief Overview [May 24, 2006]

GOLD FIELDS GHANA, NEWMONT AND USAID SIGN AGREEMENT
PROMOTING COMMUNITY DEVELOPMENT IN MINING AREAS

ACCRA, GHANA - Today, Gold Fields Ghana, Newmont Ghana Gold Limited and the U.S. Agency for International Development (USAID) signed a Memorandum of Understanding to strengthen local governance, identify and establish viable economic opportunities for residents, and share best environmental management and social impact practices in Ghana. The alliance will focus efforts in the two mining areas of Asutifi District in the Brong Ahafo Region and Wassa West District in the Western Region.

The agreement for the Ghana Responsible Mining Alliance commits the members to collaborate in implementing development activities with the overall aim of promoting beneficial and interactive relationships between the mining industry, host communities, civil society and local governments. In addition, the alliance members will share lessons and best practices in environmental stewardship and social development with communities in Ghana and other West African nations facing similar challenges.

The cost, over four years, of the combined development activities in Wassa West and Asutifi mining areas is estimated at over $9.5 million, including USAID/Ghana’s contribution of $1.25 million. This includes both existing and new programs that will enable the local governments and civil society organizations to jointly plan and implement community development activities and economic opportunities, and expand local productivity. It is expected that information on mining-related issues such as social impact assessment and public consultation, resettlement, rehabilitation and closure of mines, and community relations and governance will be shared and discussed with rural communities in Ghana and the West Africa sub-region.

The Memorandum of Understanding was signed in Accra on May 24, 2006. The managing directors of Gold Fields Ghana, Mr. Alan Ashworth, and Newmont Ghana, Mr. Bill Zisch, signed for their companies, while Ms. Sharon L. Cromer, USAID/Ghana Mission Director, signed for her agency. The event was witnessed by Hon. Dominic Fobih, Minister of Lands, Forestry and Mines; and Her Excellency Pamela Bridgewater, U.S. Ambassador to Ghana.

“This alliance brings together members who have the will, financial resources and development expertise to commit to this country and its people” Ambassador Bridgewater said. “This signing today commits each of the alliance members to work together with stakeholders to ensure that people living in and around the affected mining communities enjoy its benefits as well,” she added.

The Minister of Lands, Forestry and Mines, Professor Fobih noted “This alliance is not only unique but also a clear demonstration of the myriad of opportunities that public-private partnership can harness to fight poverty and underdevelopment which are common features of our mining communities.”

Gold Fields Ghana has operational mines in Tarkwa and Damang, both in the Wassa West District. Newmont Ghana Gold initiated Asutifi District preparation in 2003, and expects to begin producing gold by mid-2006. USAID is working in both districts to strengthen the ability of citizen groups to constructively engage the local governments and mining companies on issues of common concern, and build the capacity of the local governments to respond to civic input.

Visit: www.usaid.gov/gh; www.newmont.com; www.goldfields.co.za
## Annex 3: Alliance Contacts

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<tr>
<th>Organization &amp; Name</th>
<th>Title or Specialty</th>
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<tr>
<td>USAID</td>
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<tr>
<td><strong>Regina Dennis</strong></td>
<td>Project Development Advisor, USAID/West Africa</td>
<td>(233) 244 329 951</td>
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<td><strong>Gold Fields Ghana</strong></td>
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<td><strong>Newmont Ghana Gold Ltd.</strong></td>
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<tr>
<td><strong>Chris Anderson</strong></td>
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<td><strong>Ahafo Agribusiness Growth Initiative</strong></td>
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<tr>
<td>Organization &amp; Name</td>
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<td><strong>GAIT II</strong></td>
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<tr>
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<td><strong>OICI International</strong></td>
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### Annex 4: USAID/Ghana Results Framework

<table>
<thead>
<tr>
<th>Strategic Objective</th>
<th>Performance Indicator</th>
<th>Indicator Type</th>
<th>Last FY Indicator Measured</th>
<th>Program Component</th>
<th>Cooperating Sponsor</th>
<th>Alliance-Related Results</th>
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<tbody>
<tr>
<td></td>
<td># of targeted districts in which District Assemblies show improved performance or maintain high performance in participatory decision-making</td>
<td>SO Level</td>
<td>FY 2005</td>
<td>8. Support Democratic Local Government and Decentralization</td>
<td>GAIT</td>
<td></td>
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<tr>
<td>Democracy and Governance: Strengthened Democratic and Decentralized Governance</td>
<td># of targeted districts in which citizen groups show improved performance or maintain high performance in resource mobilization</td>
<td>SO Level</td>
<td>FY 2005</td>
<td>11. Strengthen Civil Society</td>
<td>GAIT, LEEP and SEED</td>
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<tr>
<td></td>
<td># of targeted districts in which DAs meet local revenue projections</td>
<td>IR5.2.1</td>
<td>FY 2005</td>
<td>8. Support Democratic Local Government and Decentralization</td>
<td>GAIT</td>
<td></td>
</tr>
<tr>
<td></td>
<td># of targeted districts in which DAs show improved performance or maintain high performance in ethics and accountability</td>
<td>IR5.2.2</td>
<td>FY 2005</td>
<td>8. Support Democratic Local Government and Decentralization</td>
<td>GAIT</td>
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<td></td>
<td># of targeted districts in which DAs show improved performance or maintain high performance in resource mobilization and financial dynamism</td>
<td>IR5.2.3</td>
<td>FY 2005</td>
<td>8. Support Democratic Local Government and Decentralization</td>
<td>GAIT</td>
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<tr>
<td></td>
<td># of targeted districts in which DAs show improved performance or maintain high performance in responsiveness to education sector</td>
<td>IR5.2.4</td>
<td>FY 2005</td>
<td>8. Support Democratic Local Government and Decentralization</td>
<td>GAIT</td>
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<td></td>
<td># of advocacy issues undertaken by targeted citizen groups (level one)</td>
<td>IR5.3.1</td>
<td>FY 2005</td>
<td>11. Strengthen Civil Society</td>
<td>GAIT</td>
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<td># of advocacy issues undertaken by targeted citizen groups (level two and above)</td>
<td>IR5.3.2</td>
<td>FY 2005</td>
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<td>GAIT</td>
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<td></td>
<td># of targeted districts with an active women’s wing</td>
<td>IR5.3.3</td>
<td>FY 2005</td>
<td>11. Strengthen Civil Society</td>
<td>GAIT</td>
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<tr>
<td>Strategic Objective</td>
<td>Performance Indicator</td>
<td>Indicator Type</td>
<td>Last FY Indicator Measured</td>
<td>Program Component</td>
<td>Cooperating Sponsor(s)</td>
<td>Alliance-Related Results</td>
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<tr>
<td>Democracy and Governance: Strengthened Democratic and Decentralized Governance</td>
<td># of targeted districts in which citizen groups show improved performance or maintain high performance in participatory management and governance</td>
<td>IR5.3.4</td>
<td>FY 2005</td>
<td>11. Strengthen Civil Society</td>
<td>GAIT, LEEP, SEED</td>
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<tr>
<td></td>
<td># of targeted districts in which citizen groups show improved performance or maintain high performance in networking and coalition building</td>
<td>IR5.3.5</td>
<td>FY 2005</td>
<td>11. Strengthen Civil Society</td>
<td>GAIT, LEEP, SEED</td>
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<td></td>
<td>% of SMCs/PTAs achieving high performance in networking and coalition building</td>
<td>IR5.3.6</td>
<td>FY 2005</td>
<td>11. Strengthen Civil Society</td>
<td>GAIT</td>
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<td></td>
<td>No. of Assisted Firms Meeting EurepGAP and other Standards</td>
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<td>FY 2005</td>
<td>16. Increase Trade and Investment</td>
<td>SME Linkages</td>
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<td></td>
<td>No. of Smallholders linked to marketing for export, agro-processing and/or supermarkets</td>
<td>6.2.1.B</td>
<td>FY 2005</td>
<td>16. Increase Trade and Investment</td>
<td>TIPCEE, LEEP, SEED</td>
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<tr>
<td></td>
<td>Value of Exports of commodities assisted by USAID (U.S.$mi)</td>
<td>6.2A</td>
<td>FY 2005</td>
<td>16. Increase Trade and Investment</td>
<td>TIPCEE, LEEP, SEED</td>
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<tr>
<td></td>
<td>Value of Non-traditional Agricultural Exports (NTAEs) (U.S.$mi)</td>
<td>SO Level</td>
<td>FY 2005</td>
<td>16. Increase Trade and Investment</td>
<td>TIPCEE, LEEP, SEED</td>
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<tr>
<td>Initiative to End Hunger in Africa (IHEA) and Food For Peace</td>
<td>Enhanced Productivity of Smallholder-Based Agriculture</td>
<td>IR 1</td>
<td>FY 2005</td>
<td>21. Increase Agricultural Sector Productivity</td>
<td>Increased yields of promoted crops</td>
<td>TIPCEE, LEEP, SEED</td>
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<tr>
<td></td>
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<td># of rural households benefiting directly from interventions (ADRA, OICI, TNS)</td>
<td></td>
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<tr>
<td></td>
<td>Expanded Development, Dissemination, and use of New Technology</td>
<td>IR1.1</td>
<td>FY 2005</td>
<td>21. Increase Agricultural Sector</td>
<td># of technologies made available for transfer (TNS, ADRA, OICI)</td>
<td>TIPCEE, LEEP, SEED</td>
</tr>
<tr>
<td>Strategic Objective</td>
<td>Performance Indicator</td>
<td>Indicator Type</td>
<td>Last FY Indicator Measured</td>
<td>Program Component</td>
<td>Cooperating Sponsor</td>
<td>Alliance-Related Results</td>
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<tr>
<td>Enhanced Human and Institutional Capacity for Technology Development Dissemination, &amp; Management</td>
<td>IR 1.2</td>
<td>FY 2005</td>
<td>17. Improve Economic Policy and the Business Environment</td>
<td># of Women’s organizations/institutions assisted (OICI); Male &amp; Female attendance in training</td>
<td>TIPCEE, LEEP, SEED</td>
<td></td>
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<tr>
<td>Improved Policy Environment for Smallholder-Based Agriculture</td>
<td>IR2</td>
<td>FY 2005</td>
<td>17. Improve Economic Policy and the Business Environment</td>
<td># of Agric related firms benefiting directly from interventions</td>
<td>TIPCEE, LEEP, SEED</td>
<td></td>
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<tr>
<td>Increased Agricultural Trade</td>
<td>IR3</td>
<td>FY 2005</td>
<td>16. Increase Trade and Investment</td>
<td></td>
<td>TIPCEE, LEEP, SEED</td>
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<tr>
<td>Enhanced Competitiveness of Smallholder-Based Agriculture</td>
<td>IR3.1</td>
<td>FY 2005</td>
<td>18. Improve Private Sector Competitiveness</td>
<td># of producers’ organizations, water user Associations, trade &amp; business associations &amp; CBOs assisted (OICI)</td>
<td>TIPCEE, LEEP, SEED</td>
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<tr>
<td>Enhanced Agricultural Market Infrastructure, Institutions, and Trade Capacity</td>
<td>IR3.2</td>
<td>FY 2005</td>
<td>18. Improve Private Sector Competitiveness</td>
<td># of market information boards (ADRA); Gross cash value of agric produce by targeted farmers (ADRA)</td>
<td>TIPCEE, LEEP, SEED</td>
<td></td>
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Annex 5: Extractive Industries Transparency Initiative (EITI),
Frequently Asked Questions

Source: www.eitransparency.org

What are the Extractive Industries?
For the purpose of EITI, we define the extractive industries as the oil, gas, and mining industries.

What is the Extractive Industries Transparency Initiative (EITI)?
The Extractive Industries Transparency Initiative (EITI) aims to increase transparency in transactions between governments and companies within extractive industries. The UK Prime Minister, Tony Blair announced the initiative at the World Summit on Sustainable Development in Johannesburg, September 2002.

Why is an Extractive Industries Transparency Initiative necessary?
Revenues from the extractive industries should be an important engine for economic growth leading to sustainable development.

Some countries rich in oil, gas and minerals have under-performed relative to other countries without natural wealth. There is a close correlation between the countries rich in natural resources and the countries with high levels of poverty.

Transparency over payments and revenues increases accountability and therefore the likelihood that the revenues generated by the development of natural resources are used in an efficient and equitable manner. It can also reduce the risk of diversion or misappropriation of resources.

Why focus on Extractive Industries?
Extractive Industries are important in over 50 developing countries, home to some 3.5 billion people.

There is nothing intrinsically wrong with extractive industries, but the high-risk, high cost and uncertain nature of exploration, coupled with a long gestation before profits are realized and the finite nature of resources, makes financial management of the sector difficult.

Companies investing large amounts of resources in natural resource extraction need to be assured of a stable, reliable environment for their investments.

Ensuring that revenues from natural resources make it into government budgets for public sector expenditure (e.g. on health, education etc.), is key to reducing poverty, promoting democracy and reducing the risk of conflict.

Why is transparency essential to tackle corruption?
The lack of accountability and transparency can exacerbate poor governance and lead to corruption, conflict and poverty.

Transparency needs to be linked to efforts to improve financial management and to tackle corruption. Without transparency, donors and International Financial Institutions will be less willing to engage in these countries and companies may be cautious about investing in an opaque (or--worse--corrupt) business environment.

It is for the individual populations of a country to hold their government to account for the use of the resources.

How will it work?
To implement EITI, a country needs to meet or exceed the EITI Criteria.

Who will benefit from the Initiative?
Increasing transparency and knowledge of revenues will empower citizens and institutions to hold governments to account for the right use of these resources. Mismanagement or diversion of funds away from sustainable development purposes will become more difficult.

Demonstrating transparency and accountability should also benefit developing and transition economies by improving the business environment, helping them to attract foreign direct investment.

Transparency and good governance are often pre-conditions for access to international financial institution lending or donor programmes.

Responsible companies stand to benefit from a more level playing field, a more predictable business environment and better prospects for security of their investments.

Companies will also be able to demonstrate the contribution they make to an economy (often they are taxed twice – by the state and then by expectations of government-like services by local communities).
How many countries are implementing EITI?

For details of different country’s progress, please see the Countries page.

Who is participating in EITI?

For details of EITI participants, please see the EITI Supporters page.

What is the World Bank Group’s role in EITI?

The World Bank Group has formally endorsed EITI in December 2003 and has committed a team in the Bank to support EITI. The Bank will also support several governments in implementing EITI, as well as administering the multi-donor EITI trust fund.

Is the G8 supporting EITI?

The G8 has made statements of support for EITI at Evian (2003), Sea Island (2004), and most recently at Gleneagles (2005).

Will companies be at a competitive disadvantage if they support EITI?

No. The host government and companies will discuss and agree the terms of the disclosure to ensure commercial confidentiality is not breached.

There is a key role for host governments to create a climate for disclosure and to request companies operating in their territory to disclose data.

It is unlikely that a company would wish to be seen as less transparent than its host!

Could data disclosure be misused?

Data disclosure aims to allow discussion about revenues. As with any information, there is a risk that ill-informed or politically-motivated people will misuse the information to try to influence expenditure decision-making.

However, Government or companies can show that they are open and transparent so there will be less suspicion and possible exaggeration of the payments made by companies and revenues received.

Will EITI create a burden without actually tackling the problem of corrupt payments, thereby punishing the responsible players?

We don’t expect EITI to close all loopholes for non-responsible company or government behaviour. To a certain extent, we have to rely on laws to detect criminal activity. The OECD anti-bribery convention would help in this regard. EITI would reward the responsible players by helping them deflect criticism.
Annex 6: Managing an Alliance (Excerpt)

Monitoring and Evaluation

Monitoring and evaluation (M&E) for alliances should be guided by ADS Section 203, which applies to alliances just as it does to any other development activity involving USAID program funds. However, M&E in the context of public-private alliances introduces some special considerations that should be taken into account in M&E system design.

First, input-level monitoring has a particular importance in a public-private alliance. Alliances rely on resources leveraged from multiple partners, and in many cases, these will not be documented in a legally binding obligating agreement, as they are for USAID funding for traditional projects. It will be important to build in a system to track the level of resources committed and disbursed to the alliance by each resource partner, whether these are dollars, volunteer hours, or other kinds of in-kind support. This information is needed to provide assurance to all partners that each individual partner is meeting its responsibilities and there is an adequate flow of resources for meeting alliance objectives. See this section’s Tools for an illustrative reporting format, excerpted from a recent quarterly report on the Sustainable Forest Products Global Alliance (SFPGA).

Second, output-level monitoring is more challenging in an alliance due to the need to separately track activities being carried out by each implementation partner and to develop common measures for similar activities being carried out by different partners to allow for a ‘summing up’ of the accomplishments of the alliance as a whole. This is being done in the SFPGA by means of a matrix which lists each activity-level output along with the implementation partner responsible for its accomplishment, and across the top are arrayed the performance measures used for each.

Where an alliance is operating through parallel financing arrangements, it may be possible to do output-level monitoring for each separate funding instrument, although it will be important to coordinate the selection of performance measures across all the funding instruments so that the outputs of individual grants or cooperative agreements can be added together to capture the sum total of alliance accomplishments.

Third, assessing the intermediate results and development impact of an alliance is uniquely challenging. For one thing, rarely will alliance objectives completely overlap with the objectives of a USAID Strategic Plan. Therefore, it may require the development of a separate results framework or similar analysis to clearly define and describe how the sum of alliance outputs will lead to the achievement of expected intermediate results and development impact.

For another, different partners may define alliance success in different ways and hence be interested in tracking different alliance ‘results’. In the SFPGA, for example, IKEA and Home Depot will be most concerned about the levels of green timber production that can be achieved at a given input cost; the World Wildlife Foundation and The Nature Conservancy will be more concerned with measuring the decline in illegal logging; USAID and other development agencies will want to see the impact on farmer income and, in turn, on the health and education achievement of rural families. All of these are legitimate measures of alliance “success” that need to be incorporated in order to determine whether an alliance is meeting the distinctive objectives of each alliance partner. The challenge is to knit these differing measures of success into an analytical framework that integrates each one into the strategic logic of the alliance as a whole.

As always in designing any M&E system, there is the need to strike a balance between the value of the information collected and the costs in time and dollars to collect it. The key consideration is what information is needed to:

- effectively manage alliance resources, ensuring that alliance managers can get information they need to make mid-course corrections as appropriate;
- properly account for use of taxpayer and shareholder funds; and
- meet priority information needs of other stakeholder groups, such as host government or other donor officials engaged in related development
programs, additional partners who may be sought in the future to sustain or expand the alliance, or others.

Determining what information is needed by whom and with what frequency and rigor will drive the design of any M&E system. Doing this in the context of an alliance requires intensive consultation with all partners. Once the scope of the desired system is defined, alliance managers then must agree on how M&E activities will be funded, who will manage them, and how widely the data and analyses will be shared.

Participation by the private sector partner in the design of an alliance M&E plan may introduce new approaches and create learning opportunities for all parties. Performance management practices are well known to corporate and NGO managers but may be widely different from those applied in USAID. There will be differences in terminology (e.g., metrics vs. performance indicators), as well as possible concerns about proprietary methodologies (e.g., collection and interpretation of pricing data). Corporate and business sector partners will offer special expertise on cost-effective data collection on pricing and marketing, while USAID and its traditional partners can contribute expertise on measuring development impact.

It should be noted that some private sector firms tend to measure the ‘impact’ of their public-private partnerships in terms of their corporate social responsibility objectives, namely the firm’s reputation and/or employee satisfaction, rather than in terms of the results achieved by the programs they support (although this is beginning to change in some of the CSR “thought” leaders). This will less likely be the case in those alliances where the private sector participation is linked to its core business interests; in these alliances, the private sector resource partners will naturally have a greater interest in and commitment to measuring program results.

The recent mid-term assessment of the GDA model found that many alliances had not yet developed effective alliance-wide M&E systems. Where such systems were in place, they were typically carried out by an independent contractor or other third party funded under the alliance specifically to carry out alliance M&E. The Indonesia Timber Alliance provides an example of this approach. Following a suggestion by DfID, a potential partner, to build in a bigger M&E component from the beginning, USAID increased the budget for that purpose. The implementing partners then contracted a research institute to handle M&E (referred to by the implementing partners as ‘Lessons Learning’) for the alliance. The system is set up so that each alliance activity is tracked separately and each partner’s resource contribution is linked to the activity it is funding. For example, each partner can learn how much of its contribution is going toward timber tracking and the specific amount of wood saved. Giving each partner a clear idea of what their resources are accomplishing is not just a matter of accountability, but a good way to build commitment and sustainability into an alliance. Other alliances have plans to carry out both process and impact-level evaluations at various points in alliance implementation.

Finally, it is worth underscoring the value of identifying and sharing lessons learned about the GDA model of public-private partnerships and its effectiveness as a development tool. GDA is a relatively new, and challenging, business model for USAID and can be expected to evolve and improve as the Agency and its partners gain more experience in applying it to real development problems in the real world of developing countries. This process will be richly enhanced and accelerated if alliance managers throughout the Agency share their experience and lessons learned widely so they can be reflected in Agency-wide practices, policies, and procedures relating to GDA. The GDA Secretariat has a key role in disseminating and mainstreaming lessons learned through its training activities (workshops and the Learning Stories series), its periodic revisions of the ADS as needed, and its updates of this document, Tools for Alliance Builders. Alliance managers are encouraged, though not required, to conduct mid-term assessments to identify what’s working, what’s not, and to share these with the GDA Secretariat for broad dissemination to other alliance managers in USAID and to USAID’s many alliance partners.
Annex 7: Web Resources

Existing Standards, Guidelines and Practice References

Bank Information Center
www.bicusa.org

Business Partners for Development
www.bpd-naturalresources.org/

Equator Principles
www.equator-principles.com/principles.shtml

Extractive Industry Transparency Initiative
http://www.eitransparency.org/index.htm

International Council for Mining and Metals
www.icmm.com/
www.goodpracticemining.org/library.php
www.icmm.com/library_pubcats.php

International Finance Corporation/ World Bank
http://ifcin1.ifc.org/ifcext/enviro.nsf/Content/PoliciesandGuidelines

International Labour Organization (ILO)
www.ilo.org/public/english/standards/norm/

Mine Certification Evaluation Project
www.minerals.csiro.au/sd/SD_MCEP.htm

Mining, Minerals and Sustainable Development Project
www.iied.org
www.iied.org/mmsd/finalreport/index.html

Publish What You Pay Coalition
http://www.publishwhatyoupay.org/english/

Revenue Watch Institute
http://www.revenuwatch.org

Social Accountability International, SA8000

South African Mining Charter
www.dme.gov.za/minerals/mining_charter.htm

Voluntary Principles on Security and Human Rights
http://www.voluntaryprinciples.org/principles/public.php

World Business Council for Sustainable Development
www.wbcsd.ch/Doc800/llunSPdf1KvmyYHSJbN4Xc/csr2000_pdf
www.wbcsd.ch/templates/TemplateWBCSD5/layout.asp?type=p&Menu1d=MQ&doOpen=1&ClickMenu=
LeftMenu

World Economic Forum – Partnership Against Corruption Principles for Countering Bribery
www.weforum.org/site/homepublic.nsf/Content/Partnering+Against+Corruption