

**SMI CSRM**

Centre for Social  
Responsibility in Mining

# **GOLD RIDGE MINING PROJECT**

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## **SOCIAL AND RESETTLEMENT ACTION PLAN**

### **3rd INDEPENDENT MONITORING REPORT**

**OCTOBER 2011**

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## 1. EXECUTIVE SUMMARY

Allied Gold, through Gold Ridge Mining Ltd. (GRML) has re-opened the Gold Ridge Mine in the Solomon Islands. This involved an A\$150 million refurbishment and expansion of the existing plant to increase capacity from 2.0Mtpa to 2.5Mtpa. First gold was produced in March 2011. The International Finance Corporation (IFC) loaned the Group a portion of the re-development cost, requiring an ongoing program of independent external monitoring to demonstrate compliance with the IFC Performance Standards. This involves monitoring the project performance of management of social issues and the implementation of the Resettlement Action Plan (RAP). The Centre for Social Responsibility in Mining (CSRMI) has been engaged as the Independent Resettlement Monitor for the Social Audit.

Re-opening of the mine requires the relocation of all inhabitants from the Mining Lease Area (MLA). Based on the revised July 2010 census there were 1,895 PAPs living on the MLA. In addition to the census figure, four additional PAPs have been identified bringing the total to 1899 PAPs. For the purposes of physical relocation, GRML categorised the PAP population in two phases according to the order in which they will be moved. Phase 1 includes the Namachamata and Valehaichichi pit areas. Phase 2 covers the Dawson's and Kuper's pit areas. Immigrant artisanal miners are required to return to their villages of origin, while landowner families will be relocated to one of four resettlement locations identified in consultation with landowner representatives. Compensation and resettlement assistance benefits as detailed in the Resettlement Action Plan (*RAP 2009*) are consistent with the IFC's Performance Standard 5 on Land Acquisition and Involuntary Resettlement. In addition to the RAP, an Economic Development Action Plan (EDAP) has been developed for income generation and capacity building among the local communities.

The third monitoring report provides findings based on interviews and public meetings conducted in October 2011. Monitoring activity focused on the implementation of the RAP and EDAP by GRML and the implementation of recommendations provided during the July 2011 monitoring visit. As in the previous monitoring report, findings are presented in four broad thematic areas: (i) Physical Relocation and Resettlement, (ii) livelihood Restoration, (iii) consultation and Grievances, (iv) internal Monitoring Systems. Recommendations are tabled by theme in Section 8 of the report and are ranked according to compliance and level of risk. A total of 35 recommendations are made. Several recommendations remain outstanding from the previous monitoring reports.

According to the *2009 RAP*, GRML had proposed to relocate 23 villages from the Phase 1 and Phase 2 areas to one of the four resettlement sites. During the October 2011 monitoring visit, a parcel of land at Obo Obo was identified as a potential resettlement site, while the land at Kovelei remains unresolved. The relocation process remains well behind the January-February 2010 deadline proposed in the *2009 RAP*. The July 2011 monitoring

report indicated that the relocation of the majority of Phase 1 areas had been completed with a total of 101 households (484 people) having been relocated to three resettlement sites. The relocation of PAPs in the Phase 2 areas had been postponed with no definite schedule for commencement. Following the departure of the relocation manager, the relocation process had stalled.

At the October 2011 monitoring visit, an expatriate consultant hired by GRML has been overseeing the relocation of the remaining Phase 1 villages. The consultant verbally provided the monitors with information about the current relocation activities, but no documented deadlines were available for the completion of the Phase 1 relocation. Information received by the monitors could not be verified despite requests by the monitoring team for documentation and records. GRML has conducted an asset survey at one of the Phase 2 villages (Kuper's Creek) but has yet to communicate information about relocation process for that community. No schedule has been provided for the commencement of the Phase 2 relocations.

As at October 2011, 488 PAPs from Phase 1 areas have been relocated to Sule, Ravua and Bubulake resettlement sites. Approximately 1411 PAPs remain in their villages waiting to be relocated and resettled. According to the updated 2009 census data 327 households are eligible to receive housing from GRML, 25 households will provide their own housing, and 56 will receive equivalent support in cash, materials, and kits. Currently, the project is without a qualified relocation manager. The absence of a qualified relocation manager and delays in the construction of resettlement houses have been major contributors to the postponement of the relocation process.

Housing construction at Bubulake has been completed as at October 2011. The monitoring team observed that housing construction at Ravua had progressed to near completion. Housing construction at Ravua and Sule are scheduled to be completed by 21 October 2011. The monitors also observed progress in housing construction and clearing of land for garden development at Koku with constructions scheduled for a 21 October 2011 completion. During the October 2011 monitoring visit, GRML in consultation with members of the Cha Cha tribe has started clearing of the land at Obo Obo for housing construction. Due to the delays in housing construction, a number of householders from the Phase 1 area remain temporarily relocated at Bubulake and Ravua resettlement sites until the agreed housing allocations are ready.

The quality of replacement housing at the resettlement sites was initially found to be generally very high. However, a number of outstanding and new defects were found at the July 2011 monitoring visit. As at October 2011, front windows were fitted with security grids, which was one of the outstanding recommendations from the February 2011 monitoring visit. However, insect protection screens have not been fitted on the windows. While houses built after the July 2011 monitoring visit have stairs with rails on both sides,

previously built houses are still without an interior rail. The defect identified in the July 2011 monitoring visit relating to door locks was resolved; however, many of the door locks have been reported as faulty or broken. Other new issues identified at the July 2011 monitoring visit remain outstanding. Housing defects outstanding from the February and July 2011 reports as well as new issues identified at the October 2011 monitoring visit have been recorded by GRML and are to be addressed by the company and its contractors.

Water supply and storage continues to be one of the main issues faced by new settlers. During the dry season in particular, settlers have reported significant water shortages. The company's solution to-date has been to truck water up to resettlement sites from Honiara on a daily basis. Settlers remain concerned about the quality of the water and the sustainability of the overall system. Three main issues involving the mechanics of the tanks at Bubulake, Ravua and Sule are outstanding from the February and July 2011 monitoring reports. These are: (1) Rain water from the roof is plumbed down into the inspection hole of the tanks exposing the water to dust and contamination. The monitors observed correct installations in the newly built houses; (2) Water outlets at the base of the tanks are too big and result in waste even if used with care; (3) Water pumps are small and do not function well making it difficult for water to flow up to the header tanks. These last two defects have not been corrected for the newly built houses.

Livelihood restoration continues to be critical and high priority. In the July 2011 report, two issues were identified as outstanding. The first relates to the food distribution mechanism which remains unresolved as at October 2011. A meeting between the monitors and residents at Bubulake confirmed that settlers who have been relocated longer than 6 months no longer receive food rations or a cash allowance. The second relates to the readiness of gardens and the support provided by GRML in collaboration with the Provincial Department of Agriculture to conduct agricultural training session with settlers. At the October 2011 monitoring visit, the monitors observed overall progress in the gardens at Ravua and Bubulake with cassava and sweet potato harvested at Bubulake. While this is a significant progress, gardens are at an early stage and cannot reliably support families.

GRML's community relations (CR) team conducts regular visits to the resettlement sites providing gardening training in July, August, and September 2011. Over this time the Provincial Department of Agriculture had not participated in the training activities. Given the readiness of food gardens, the food distribution system will need to be extended. Additionally, further village gardens need to be established and be productive in line with any revised relocation timeframe for the Phase 2 areas. To facilitate this, Selection Committees need to be established to formalise the allocation of garden plots.

The development of a comprehensive livelihood restoration plan by GRML remains outstanding and critical. In the July 2011 monitoring visit, improvements were recorded by the monitors in the development of a revised plan by GRML. As at October 2011, an internal

monitoring mechanism has not been established. The revised plan has not been signed off by the IFC. This is a serious compliance issue and GRML has to finalise the plan with an internal monitoring mechanism in place for the EDAP. The finalised plan is to be reviewed and signed off by the IFC before it can be made public.

Overall GRML local employment has declined from the level recorded in the July 2011 report despite a two-fold increase in the employment of skilled workforce from all community groups. Employment of the unskilled/semi-skilled landowner workforce has increased although at a slower pace than the growth recorded in July 2011. In the *2006 subsidiary agreement*, GRML has committed to generate 80% of its total unskilled/semi-skilled employment from the landowner community. As at October 2011, the company has closely met this target with a 75% of its unskilled/semi-skilled labour force representing the landowner community. This is higher than the 66% recorded in the July 2011 monitoring report.

The landowner community includes both PAPs and non-PAPs. At present, GRML employs 161 workers from the PAPs villages, 94% of which are in the unskilled category. This is slightly higher than the PAPs employment recorded in the July 2011 report. It is difficult to determine whether the current PAPs employment level is sufficient to support the 1899 PAPs population. More information is required about PAPs workforce data and participation in alternative livelihood opportunities outside of GRML. Furthermore, employment with GRML is unevenly distributed across both the PAP and non-PAP villages. This issue remains as outstanding from the previous two reports.

In addition to employment and food gardening, it is expected that GRML will support landowners to develop local businesses in order to maximise the benefit of mining royalties. Before royalties can be distributed, each tribe is required to establish accounts and nominate five trustees to administer each account. As at October 2011, the formation of tribal accounts comprising trustees has been finalised. The July 2011 monitoring visit reported the issuance of the first royalty payment to the landowners in June 2011 for the production month of April 2011. At the October 2011 monitoring visit, a meeting between the monitors and the GRCLC representatives confirmed the receipt of royalty payments on 18 October 2011 having been delayed since the first payments were made. The GRCLC attributes the delay to the failure by the Treasury Department to transfer the funds on time after receiving it from the Central Bank. At a meeting with the Provincial Government Executives, representatives also indicated that there were delays in payments.

The payment received in October 2011 was for the production month of May and June 2011. Based on the payments received in October, two issues are in need of consideration. Firstly, each of the 16 tribes is eligible to a different percentage share of royalties. For example, the Rausere tribe holds the largest share (36.5%) of total royalty payments, while the other 15 tribes share the remaining 63.5% of payments, with the Sahari tribe receiving

the smallest percentage share of only 1.2%. In addition, the amount each tribe receives is affected by monthly production level and the price of gold. For instance, a transfer of SBD 61,249.15 was made to the landowners in June 2011 which is considerably lower than the SBD 555,905.69 transfer made in October 2011.

Secondly, royalty payments may be diluted at household level. Under the royalty agreement, eight of the eligible tribes take only 20% of the total royalty transfer. These eight tribes collectively receive SBD 12,005 from the June 2011 transfers and SBD 108,958 from the October 2011 transfers. When distributed at tribal level, dilution depends on each tribe's internal mechanism for distribution and the number of households and PAPs registered in a tribe. The full extent of the dilution effect cannot be determined due to the absence of a complete tribal census data and a lack of information about how each tribe intends to share benefits among its members.

As mentioned above, a meeting with the GRCLC confirmed the receipt of royalty payments. However, information regarding the payments, amount, and distribution of royalties to tribal accounts was not available to settlers in the relocation sites. Settlers raised issues about a lack of transparency and accountability from both the landowner representatives and the Solomon Islands Government (SIG).

The use of the grievance mechanism was recorded in the July 2011 monitoring report as showing a significant improvement. The CR department introduced and applied a vulnerability tracker which involves CR personnel surveying households in the relocation sites to flag negative impacts. However, the tracker has not been applied in resettlement sites by the CR team since July 2011. As at October 2011, there was a reduction in grievances recorded. This is attributed to issues being picked up in the vulnerability tracking system or the CR staff managing grievances on the spot at the relocation sites.



## 2. INTRODUCTION

The third Social Audit of the Resettlement Action Plan (RAP) for the Gold Ridge Mining Project was conducted in October 2011.

Social Audits of the resettlement activity are required by the IFC as a condition of its funding. Independent monitoring reviews are undertaken at quarterly intervals and should continue on this schedule for a period of 24 months, after which monitoring should be conducted at six monthly and yearly intervals for a period of up to five years.

### **2.1 Project Description**

The Gold Ridge Project is located in a highland area on the island of Guadalcanal, Solomon Islands, approximately 40kms south east of Honiara. Gold Ridge is a low sulphidation, disseminated epithermal gold/silver deposit. The Mining Lease for the project (No. 1/1997) covers an area of 30km<sup>2</sup> and is surrounded by a Special Prospecting License (SPL 194) covering an area of 130km<sup>2</sup>.

The mine project has been moving through commissioning and ramp up after Allied Gold took full ownership of the mine. Since production began in March 2011, Allied Gold has increased its gold production by 97%, from 10,213 ounces in the second quarter to 20,186 ounces in the third Quarter of 2011.<sup>1</sup>

The project requires the physical relocation of PAPs from the Mining Lease. In February 2011, 1895 PAPs were identified as requiring relocation from the Phase 1 (Valehaichichi and Namachamata) and Phase 2 (Kuper's and Dawson's) areas. Four resettlement sites were selected to accommodate eligible PAPs; Bubulake, Ravua, Sule and Koku. As at the October 2011 monitoring visit, an additional parcel of land at Obo Obo was identified as a potential resettlement site. In the July 2011 report, it was noted that relocation process for the Phase 1 areas had come close to completion while relocation of PAPs from Phase 2 areas has not commenced. This remains the case as of October 2011. The monitors attribute this to three factors. First, road development allowing access to Southern pits has not been finalised; second, the construction of housing at the resettlement sites remains behind schedule. Third, the company continues to operate without a relocation manager.

Eligible relocatees from the Phase 1 areas have been housed at one of the resettlement sites, while ineligible were relocated to their home villages. Relocation of PAPs to one of the relocation sites has resulted in a major change in how PAPs derive their livelihood, particularly given that they no longer have ready access to small scale artisanal mining

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<sup>1</sup> Allied Gold quarterly activities report, 31 Oct 2011 @ [www.alliedgold.com.au](http://www.alliedgold.com.au)

opportunities. Employment of PAPs has slightly increased since July 2011; however, a greater number of individuals at the resettlement sites are unemployed. Despite the significant progress made in developing the gardens at the relocation sites, many settlers continued gold panning by going back to the villages in the Southern Pits. During consultations at villages, settlers indicated the need for company assistance in setting up small projects to support the resettlement process.

## **2.2. Independent Monitoring Objectives**

The purpose of periodic independent external monitoring of the resettlement and livelihood restoration implementation process remained unchanged. The objectives are:

- Verify the latest implementation status; review progress related to land acquisition, physical relocation, replacement site selection and housing, and other mitigation measures during the relocation and post relocation period;
- Provide third party independent verification for international lenders that the Resettlement Action Plan is being complied with and carried out in accordance with IFC's Performance Standard 5;
- Provide third party independent evaluation for international lenders concerning any material actions and/or key mitigation measures that have been modified, and confirm compliance with IFC's Performance Standard 5;
- Verify that measures to restore or enhance project-affected peoples' quality of life and livelihood are being provided, and assess effectiveness;
- Verify that the grievance mechanism described in the RAP is functioning, and assess effectiveness;
- Verify the effectiveness of the GRML Social Management System in identifying and addressing key issues;
- Provide a list of any corrective actions required, with a completion time frame that is feasible for implementation and in line with IFC's requirements.

## **2.3. Scope of the July 2011 Review**

The third RAP monitoring review was carried out from 17<sup>th</sup> October – 24<sup>th</sup> October 2011. The external monitoring was conducted by Dr. John Owen and Mr. Fitsum Weldegiorgis from the Centre for Social Responsibility in Mining (CSRMI).

## **3. METHODOLOGY**

The monitoring review employed the following methodology.

### **3.1. Document Analysis**

Document analysis involved an examination and evaluation of internal monitoring records; RAP; EDAP; the Central Tracker on RAP implementation; the Community Relations Tracker; the Correspondence Register; company documents related to royalties, census, CR budget, and the Resettlement Plan for Phase 1; and Grievance Registers and the Security Records.

### **3.2 Primary Data collection**

Four methods of primary data collection were used.

#### **3.2.1. Observation**

Observation visits were made to resettlement villages at Bubulake, Koku, and Ravua. Visits to Bubulake, Koku and Ravua involved inspecting houses and living spaces around the houses, site infrastructure, amenity and gardens, and observing settlers' daily activities such as gardening and water use. Village visits were also made in the Phase 2 areas to observe any progress in the relocation process and confirm village conditions. These included Kuper's Creek and Valebeabea.

#### **3.2.2. Interviews**

Interviews were held with key staff at GRML including; Acting General Manager and Environmental Superintendent, CSR Manager, Constructions Manager, Social and Economic Development Consultant, Finance Manager, Senior Metallurgist, Social and Economic Development Superintendent, Relocation Consultant, CR Manager, CR Team Leader, and HR Officers. A representative from the KTDA/MDA was also interviewed by the monitoring team.

#### **3.2.3. Meetings**

Structured meetings were held with the following agencies: GRML Senior Management, GRML Community Relations Department, GRCLC Representatives and Members, Provincial Government Executives and WTF Executive members.

#### **3.2.4. Consultations**

Community meetings were conducted at Bubulake. This involved consultations with two groups of relocatees; one group (former residents of Valekaruba) that was relocated since December 2010 and another group (former residents of Totua) which was relocated since early September 2011. The first group was consulted in the February and July 2011 visits. A consultation meeting was also conducted with residents of Kuper’s Creek village from the Phase 2 areas.

Each community consultation was conducted within the respective village alongside a Paramount Chief and a local staff member to negotiate access and to assist in translation. At Bubulake, the monitoring team was also accompanied by GRML Social and Economic Development Superintendent who, following the consultation, updated communities on the progress of livelihood restoration process. Consultations were framed using open-ended questions to identify community concerns. While consultations at Bubulake sought to get a sense of community experiences about the resettlement process and to identify new and emerging issues, those at Kuper’s Creek sought to investigate any preparations and pre-relocation consultation carried out by GRML.

#### 4. PHYSICAL RELOCATION AND RESETTLEMENT

According to the *2009 RAP*, GRML has proposed to relocate 23 villages from the Phase 1 and Phase 2 areas to one of four resettlement sites. The July 2011 monitoring report stated that the relocation of Phase 1 areas was close to completion, where as that of the Phase 2 areas was suspended indefinitely. Table 1 below summarises details of the relocation timeframes thus far.

*Table 1:* Relocation Schedules

	Scheduled Commencement	Scheduled Completion	Status as at July 2011	Status as at October 2011
<b>Phase 1</b>	As per the 2009 RAP		Incomplete – No schedule	Relocation in progress – No schedule
	January 2010	February 2010		
<b>Phase 2</b>	As per internal planning of February 2011		Postponed – No schedule	Preparing for commencement – No schedule
	May 2011	June 2011		

**Phase 1** – Table 1 above demonstrates that the physical relocation of the Phase 1 areas is well behind on the *2009 RAP* schedules. Reasons for the early delays were attributed to

issues around the land acquisition process and the inability to complete housing construction in line with the proposed time frame. After commencing in February 2011, the relocation process had come close to full completion. As at the July 2011 monitoring visit, the relocation process stalled as a result of the departure of the relocation manager and the delays in the completion of resettlement houses, which was in turn further complicated by issues relating to the acquisition of customary land.

During the October 2011 monitoring visit, the process of relocating the remaining PAP villages was in progress. Deadlines for the relocation process have not been stated. An expatriate consultant hired by GRML has been overseeing the relocation process. The consultant verbally provided the monitors with the following information about the current relocation activities. The information could not be verified despite request by the monitoring team for paperwork of documentation.

The current focus of relocation activities are centred around villages south-east of the Chovohoi river. These villages are Kolokorakora, Tavulo, Turopote, Chui-Chui, and New Chui-Chui. Villagers are included in the census as ineligible with the exception of one person who is eligible. Ineligible PAPs have been relocated to a customary area called Koliassi and the eligible one to Bubulake around the end of September 2011. Approximately 33 families (120 persons) have yet to be relocated from these cohorts. In addition to transport provided during relocation, relocatees also receive SBD 500 and an additional SBD 2000 per family. This has been negotiated with the community to support their resettlement in the Koliassi area.

**Phase 2** – The July 2011 monitoring visit reported the postponement of Phase 2 relocations with no resumption date. No further progress on resettlement schedule was identified for Phase 2 in October 2011. The Relocation Consultant indicated that GRML is looking to relocate all villages in the Kuper's area before the end of 2011. This information was provided verbally and the monitors were unable to obtain any documentation of schedule or plan to confirm it. As noted at the community meeting with villagers at Kuper's Creek, GRML has conducted an assets survey but has yet to communicate information about relocation process for that community. Frustration levels are high as villagers are desperate for information about the relocation schedule and the resettlement process more broadly.

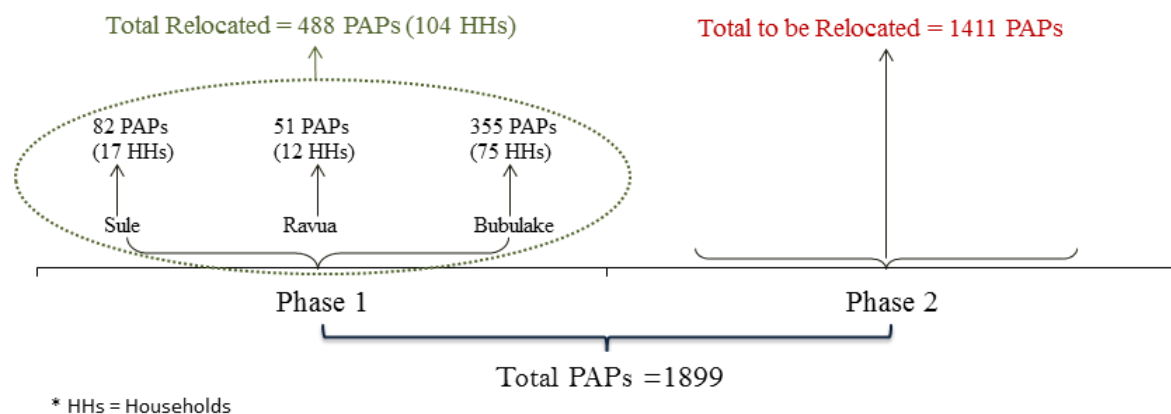
In the July 2011 monitoring report, it was noted that GRML had proposed to relocate the village of Totua on safety grounds due to a noise plant being built in that area. The total village population is 124 - consisting of 16 eligible persons (6 families) and 108 ineligible persons (20 families). The relocation process has commenced on 11 August 2011 following a Chupu ceremony held on 6-7<sup>th</sup> August 2011. Two eligible families have been relocated to Bubulake, while a number of families went to Tina in adjoining valley. The remaining residents were relocated off the lease. A GRCLC Representative carried out the relocation

process, with the company providing labour to support the dismantling of houses. Families have received compensation for the loss of gardens and housing.

The relocation process of Totua households was not part of the original relocation schedule and bears a risk of dislocating people that were not part of the original relocation schedule. The period of notification prior to physical relocation was inadequate. The majority of households are ineligible for housing support under the *2006 Subsidiary Agreement*. Relocated families have left well established gardens behind. There is a risk that villagers will return to the lease to harvest these gardens.

Figure 1 below provides an update of the relocation process as it stood at October 2011. A total of 488 PAPs have been relocated to Sule, Ravua, and Bubulake while approximately 1411 PAPs remain in their villages waiting to be relocated. Of those relocated, 83 PAPs are temporarily at Sule and Bubulake and are to be resettled at Koku. The relocated PAPs include the two Totua families (3 PAPs) and one recently relocated PAP from an undisclosed village of origin; all of which were resettled at Bubulake. Given that the majority of PAPs are yet to be relocated, it is important for the company to provide information about the resettlement process and to engage actively with the Phase 2 villagers. The experience and time taken to relocate the Phase 1 areas should serve as an estimate when planning the relocation of the Phase 2 areas.

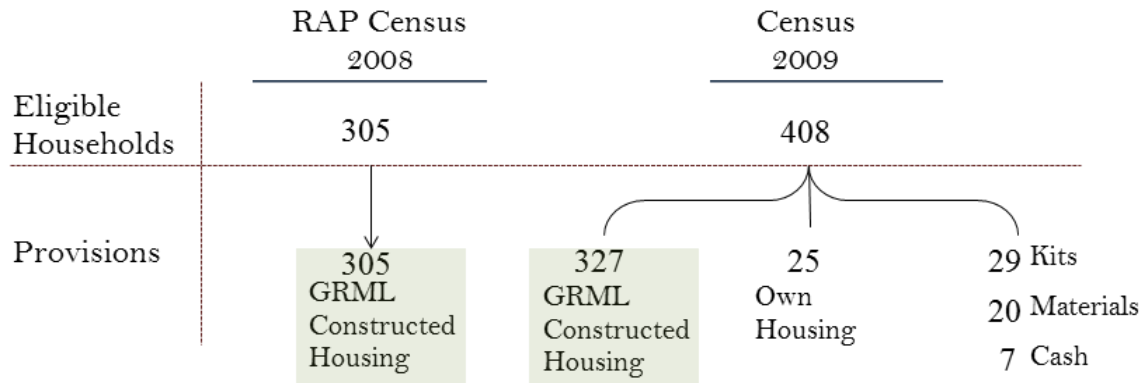
**Figure 1:** PAPs relocation progress according to the *2009 RAP* and 2010 updated census



During the October 2011 monitoring visit, the monitors received census data from September 2009 regarding the number of households eligible for compensation housing. The total number of households that were determined eligible for housing and other support as at 2009 is 408; this is after 8 households were removed from the eligibility list (see Figure 2). According to the updated census, the total number of households receiving housing from GRML is 327 which is greater than the 305 eligible households identified in the *2009 RAP* (based on the 2008 census). 25 households will provide their own housing, while

the remaining 56 households will receive equivalent support in cash, materials, and kits from the company.

**Figure 2:** Censuses and household eligibility for housing support



**Recommendations**

1. GRML to recruit a suitably qualified relocation manager as a matter of urgency (Outstanding recommendation No. 1, July 2011).
2. There is currently a lack of adequate consultation by the company with the communities in the Phase 2 areas. Frustration levels are high as villagers are desperate for information about relocation schedule and resettlement process. Engagement of the Phase 2 villages is required and needs to take lessons from Phase 1 relocation experience (Outstanding Recommendation No. 11, February 2011 and No. 2, July 2011).

**4.1. Resettlement Sites**

As confirmed in the July 2011 report, four resettlement sites have been identified: (i) Bubulake, (ii) Ravua, (iii) Sule, and (iv) Koku. During the October 2011 monitoring visit, a parcel of land at Obo Obo has also been identified as a potential resettlement site. This is due to the difficulties and uncertainties surrounding the acquisition and rightful ownership of the land at Kovelei. The acquisition of the land at Kovelei is still under consideration.

**Figure 3:** Resettlement site locations



Resettlement sites were selected by the Gold Ridge Community and Landowner’s Council (GRCLC) as appropriate replacement sites considering land availability and community needs. The following sub-sections provide an update of the status at each resettlement site.

#### **4.1.1. Bubulake**

As confirmed in the February and July 2011 reports, Bubulake has been acquired by the SIG from the Kolobisi tribe. A certificate of no appeal has not to be received by the Commissioner of Lands. In addition, the settlers acquired 30 hectares of land adjacent to Bubulake for agricultural use.

Unlike the other resettlement sites, ownership of the land at Bubulake remains with the Kolobisi tribe for the duration of the lease agreement with the SIG. The transfer of perpetual title to settlers will occur at the end of the 25-year lease period. Settlers have requested a certificate of ownership.

The October 2011 monitoring visit confirmed the completion of housing construction at Bubulake. For the purposes of planning, Bubulake has been divided into three patches. Occupancy status is as follows:

- 36 households (159 people) at Bubulake (1)
- 24 households (123 people) at Bubulake (2) and



- Bubulake (3) contains 3 households (14 people) who are permanent residents as well as 15 households (69 people) who have been settled temporarily pending the completion of house construction at Koku.

*Figure 4: Resettlement houses at Bubulake*



#### **4.1.2. Ravua**

As per the previous monitoring reports, Ravua has been acquired by the SIG. According to the *2010 Agreement for Sale of Ravua Land*, new settlers were to receive perpetual title upon taking up residence at the relocation site. As at October 2011, settlers have not received this documentation from the SIG.

Housing construction at the site is close to completion and is scheduled to be finalised by 21 October 2011. Currently, 12 households (51 people) have been resettled at Ravua. In addition, 2 households (14 people) have been temporarily resettled in Ravua pending the availability of housing at Koku.

#### **4.1.3. Sule**

The acquisition process at Sule was different from that of the other resettlement sites as it involved a customary process accompanied by traditional ceremony and compensation. As at July 2011, the SIG and traditional landowners were negotiating the formal acquisition of the land as per the Bubulake and Ravua agreements. GRML is also in negotiation with SIG and traditional owners over the acquisition of an adjoining parcel of land called “Valehami”. This process was still underway as at October 2011 with no significant progress having been made.

At the October 2011 monitoring visit, it was proposed that the construction of houses at the site will be completed on the 21<sup>st</sup> October 2011. 15 households (68 people) currently occupy the site.

#### **4.1.4. Koku**

Land negotiations at Koku continue. At the time of monitoring the ownership of the land remained with the Salaviso, Sarahi and Sabaha tribes who, following a valuation of the land had not agreed on a final acquisition price. This issue has not progressed since the previous monitoring report.

Progress has been noted with the preparation of the land for resettlement. Housing construction is close to completion with 50 houses having been constructed. The clearing of land for garden development is also under way. Construction is scheduled to be finalized by 21 October 2011. The progress at Koku and elsewhere is expected to facilitate the relocation of the Phase 2 villages which has been delayed by several months. Households from RC and Dam villages who are temporarily relocated at Bubulake and Ravua can also be resettled.

#### **4.1.5. Kovelei**

As per the *2006 Subsidiary agreement*, Kovelei has been proposed for acquisition by the SIG. As mentioned in the previous reports, the acquisition process has been delayed due to disputes over the ownership of the site. At the October 2011 monitoring visit, it was recorded that a certificate of no appeal has been received. Broader boundaries have been registered, while there still remains contention over tribal boundaries within the Kovelei site. This unresolved issue will affect the transfer of site to resettler community and the stability of overall site. The land at Kovelei is one of the resettlement sites currently being considered by GRML.

#### **4.1.6. Obo Obo**

The land at Obo Obo is a customary land owned by the Cha Cha tribe. It is the only remaining resettlement site from the Ross Mining project. An additional parcel of land has been identified by GRML in consultation with traditional owners. A public hearing was scheduled for 20 October 2011 to discuss land and ownership issues.

Thirty nine houses are proposed for the Obo Obo site which is expected to be occupied by a mix of tribes with the Cha Cha making up the majority. There is a potential risk of conflict occurring as a result of clustering different tribes in one site with one tribe dominating.

#### *Recommendations*

3. The tenure status of relocatees is still not well understood by settlers. Relocatees have concerns about their security of tenure at the relocation sites. Consultations need to occur to ensure that relocatees understand their use and ownership rights at the relocation sites (*Outstanding Recommendation No. 2*, February 2011 and *No. 4*, July 2011).

4. The inclusion of Obo Obo as a potential resettlement site presents a risk given the issues around land ownership and acquisition. The site is also expected to be occupied by a mix of tribes with the Cha Cha making up the majority. There is a potential risk of conflict occurring as a result of clustering different tribes in one site with one tribe dominating. GRML to ensure that the mix of relocatees is negotiated with villagers before relocations proceed.

#### ***4.2. General Housing and Site Planning Issues***

As indicated in the previous monitoring reports, communities are generally satisfied with the quality of relocation housing and the adequacy of spaces around and between dwellings. At the October 2011 monitoring visit, resettlement sites reflected improvements in livelihood process as settlers made use of their extra spaces by building additional rooms and developing gardens.

The July 2011 monitoring report had raised both outstanding and new issues related to the newly built houses at the resettlement sites. Outstanding issues included concerns about the missing interior rails on the stairs of the family houses and the missing security fittings and fly screens on windows. New issues were also raised in relation to door locks not being customised as settlers were able to open one another's doors using the same keys they were given. A further issue was raised by one family where the flooring in the house at Ravua has begun to crack.

At the October 2011 monitoring visit, front windows have been fitted with security grids. Insect protection screens have not been fitted on the windows. While houses built after the July 2011 monitoring visit have stairs with rails on both sides, previously built houses are still without an interior rail. Door locks have been customised for each house meaning that they can only be accessed using keys specific to each house. However, many of the door locks have been reported as faulty or broken. The cracked floor identified at Ravua has not been fixed.

New issues have been identified during the October 2011 monitoring visit with more floors cracking and a door falling off one of the houses at Bubulake. During a community meeting at Bubulake, residents raised concerns about rain water flowing on the front deck of the houses causing the floor to crack. It was also reported that water was leaking into the interior of the houses. Settlers complained that the flooring was not strong as the joists are too far apart and some floors have already cracked. Settlers have also expressed their security concern over the louvers not being lockable enabling intruders to easily slip a hand in to open the doors.

Settlers at Bubulake also informed the monitors about an incident where toilets in two houses at Bubulake were not working. This caused water from the toilet unit to overflow to the floor. Settlers claim that the metal panels have not been properly fitted. This is a serious maintenance issue and the company needs to ensure facilities at resettlement houses are properly functioning.

Interview with GRML Construction Manager noted that all defects with the previous housing are scheduled to be fixed following the completion of all relocation houses.

### *Recommendations*

5. The absence of the inside rail on the family house is a serious safety issue. While houses built after the July 2011 monitoring visit have stairs with rails on both sides, previously built houses are still without an interior rail. It is strongly recommended that the rail issue be addressed as soon as possible (*Outstanding Recommendation No. 4*, February 2011 and *No. 7*, July 2011).
6. A safety and health issue concerns about the glass louvers. Settlers have expressed their security concern over the louvers not being lockable enabling intruders to easily slip a hand to open the windows. It is recommended that all windows be fitted with a firm insect mesh and security grids (*Outstanding Recommendation No. 5*, February 2011 and *No. 8*, July 2011).
7. The cracked floor identified at one of the family houses in Ravua has not been fixed. The monitors also recorded a door falling off one of the houses at Bubulake. At community meetings in Bubulake settlers raised concerns about rain water flowing on the front deck of the houses and leaking into the interior of the houses. The flooring joists are too far apart and some floors have already cracked. The company needs to respond to these housing defects immediately (*Outstanding Recommendation No. 10*, July 2011).
8. Settlers at Bubulake informed about an incident where toilets in two houses at Bubulake were not working. This caused water from the toilet units to overflow to the floor. Settlers claim that the metal panels have not been properly fitted. This is a serious maintenance issue and the company needs to ensure facilities at resettlement houses are properly functioning.

### **4.3. Water Supply**

Resettlement houses are equipped with a 5000L rainwater tank and a 50L header tank. Water stored in the tanks is used for consumption in bathrooms, kitchen and laundry amenities. As per the two previous reports, water storage and supply continue to be major

issues. During the dry season in particular, settlers have reported significant water shortages. The company's solution to-date has been to truck water up to resettlement sites from Honiara on a daily basis. Settlers remain concerned about the quality of the water and the sustainability of the overall system. This concern was noted at meetings with settlers and the GRCLC representatives, and is outstanding from the July 2011 report.

Three main issues involving the mechanics of the tanks at Bubulake, Ravua and Sule are outstanding from the February and July 2011 monitoring reports. These are:

1. As shown in Figure 6 below, rain water from the roof is plumbed down into the inspection hole of the tanks exposing the water to dust and contamination. The monitors observed correct installations in houses built after the July 2011 monitoring visit. However, for the houses built prior to July 2011, water tanks have not been modified to conform to the correct installation standard.
2. Water outlets at the base of the tanks are too big and result in waste even if used with care. As at October 2011, this remains the case. New houses built after the July 2011 monitoring visit appear to have similar sized water outlet.
3. Water pumps are small and do not function well making it difficult for water to flow up to the header tanks. A larger hand pump system is required.

During a community meeting at Bubulake, settlers noted an additional problem with the header tank at one of the houses found uncovered. When the tank was pumped with full pressure, water flew over the header tank. Since the header tank is situated inside the roof, the spill-over caused water to leak into the ceiling and walls. Water also trickles down through the windows from the upper horizontal rain-water tube that connects water into the header tank. These new issues are further indications of an unsustainable water supply system and poor maintenance.

*Figure 5:* Incorrect Installation of Rain Water Tanks



### *Recommendations*

9. There is a need for an immediate solution to the water supply and storage issues in the resettlement sites. GRML to consider increasing the capacity of water tanks, by installing a centrally accessed water source, a reticulated water supply, or a combination of each (Outstanding *Recommendation No. 8*, February 2011 and *No. 11*, July 2011).
10. Installation defects of water tanks need to be remedied as soon as possible (Outstanding *Recommendation No. 6 and 7*, February 2011 and *No. 12 and 13*, July 2011).

## 5. LIVELIHOOD RESTORATION

Livelihood restoration continues to be a priority concern. Following the slowing down of the relocation process, the focus of the company continued to be on relocatees living in the resettlement sites. As reported in the July 2011 monitoring visit, the livelihoods superintendent hired by the company is now overseeing livelihood program. Progress has been noted involving the CR team which conducts regular inspections at the resettlement sites. Activities include meeting with relocatees and identifying any issues experienced by settlers.

GRML has also established a vulnerability tracking system and surveyed approximately 50 households at Bubulake and Ravua in order to determine vulnerability. As noted in the October 2011 monitoring visit, the tracking system has not been used by the CR team at the resettlement sites since July 2011. This implies that recent relocatees have not been recorded in the vulnerability register. Given that relocation of the remaining Phase 1 villagers is underway and that of the Phase 2 areas is set to commence, more people will be off the vulnerability record.

The July 2011 monitoring report had also noted progress in the establishment of gardens at resettlement sites with training support provided by the Provincial Department of Agriculture. As noted in the October 2011 monitoring visit, the CR team conducts regular visits to the resettlement sites and has provided gardening training in July, August, and September 2011. Over this time, the Provincial Department of Agriculture had not participated in the training activities. The Selection Committees proposed in the *2009 RAP* to assist with the process of allocating garden plots at the resettlement sites have not been established.

An ongoing concern is the absence of a complete and workable livelihood restoration plan for the resettlement population. Despite previous recommendations, internal monitoring mechanism has not been established for livelihood activities.

Updates on the key livelihood areas are presented in the following sections. These areas include employment, food security, royalties, social development, and the EDAP.

### 5.1. Employment

PAPs have high expectations regarding employment with the company.

Under the *2006 Subsidiary Agreement*, GRML has committed to generate 80% of its unskilled/semi-skilled workforce from the Gold Ridge landowner community. At present, GRML employs 75% (484 persons) of its unskilled/semi-skilled workforce from the Gold Ridge landowner community (Figure 6). This is higher than the 66% recorded in the July 2011 monitoring report and close to the 80% target.

*Figure 6:* Composition of unskilled/semi-skilled employment by local community categories, October 2011

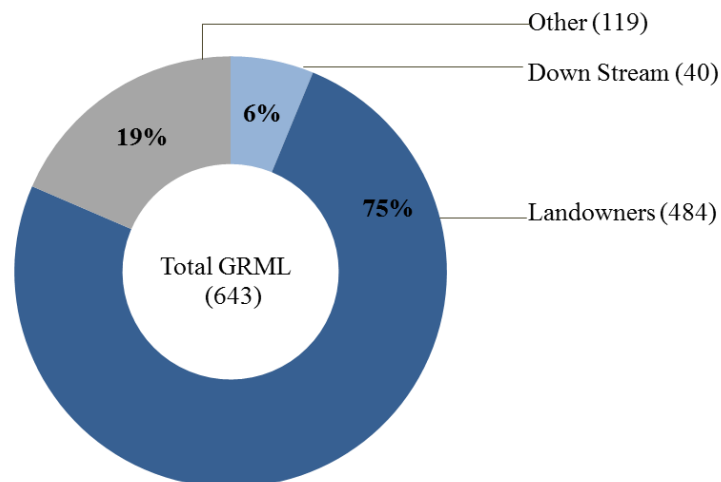
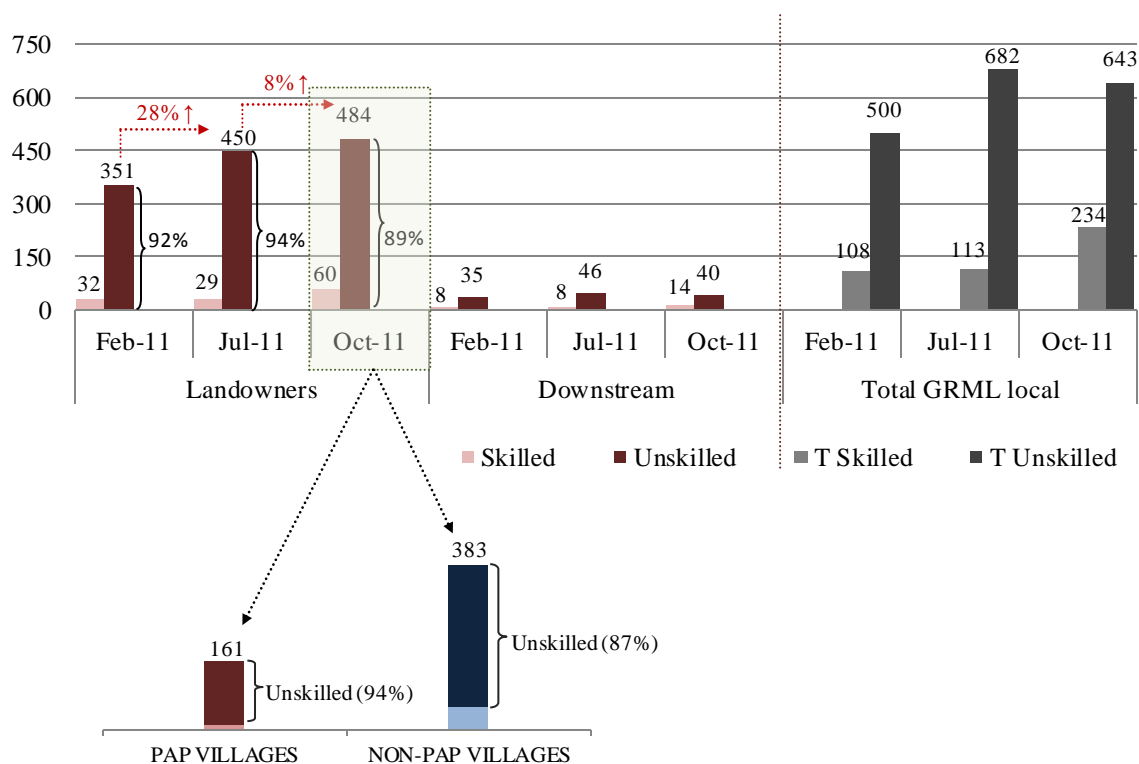


Figure 7 below demonstrates the distribution of GRML employment by community categories and its progress over the February-October 2011 period. Total GRML local employment has decreased over the July-October 2011 period, despite a two-fold increase in the employment of skilled workforce from all community groups. GRML's unskilled/semi-skilled workforce from the landowner community has grown by 8% over the July-October 2011 period. This growth is well below the 28% growth recorded over the February-July 2011 period.

**Figure 7:** Distribution of GRML employment by community groups, February, July, and October 2011



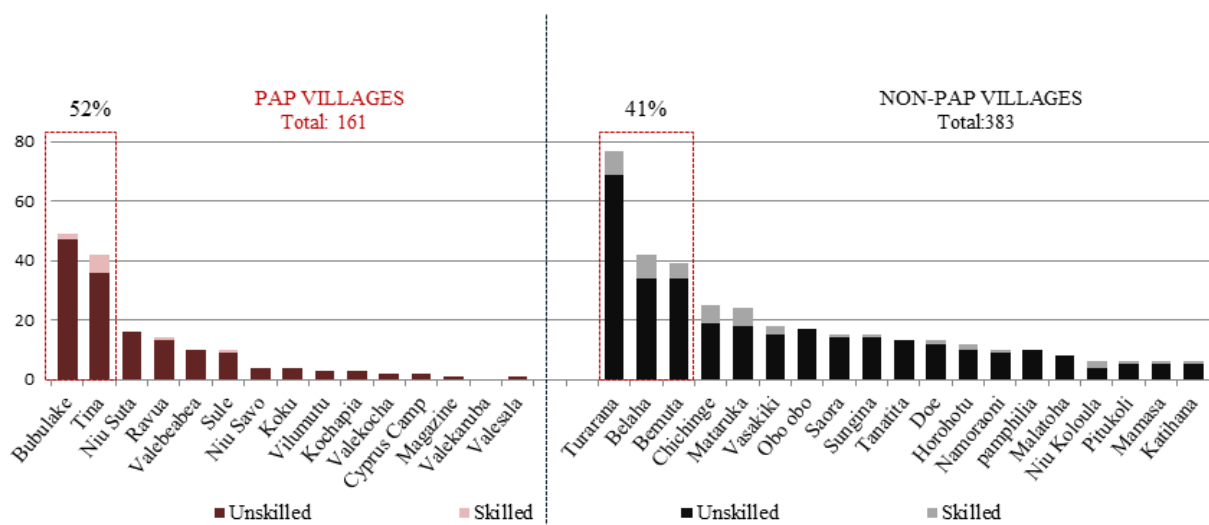
The landowner community includes both PAPs and non-PAPs. At present, GRML employs 161 workers from the PAPs villages, 94% of which are in the unskilled category (see Figure 7 above). The company has 383 non-PAPs employees, 87% of which are in the unskilled category. As compared to the PAPs employment level recorded in the July 2011 report, employment of PAPs has slightly increased as at October 2011. It is difficult to determine whether the current PAPs employment level is sufficient to support the 1899 PAPs population. More information is required about PAPs participation in alternative livelihood opportunities outside of GRML.

An outstanding issue from the February and July 2011 reports relates to the uneven distribution of employment across villages. As at October 2011, there has not been progress in the spread of employment across villages. Figure 8 below indicates that 52% of the total employment of PAPs is generated from only two villages. During community consultations at Bubulake, settlers commented on a lack of employment opportunities. It is important



that employment is evenly distributed across the relocated communities in particular as PAPs rely on project facilitated benefits to sustain their households.

**Figure 8:** Distribution of employment at GRML by village



Given that eligible PAPs are now clustered into four resettlement sites, recruitment can now more easily focus on those households. GRML’s internal recruitment data indicates that employment of PAPs at the resettlement sites has not progressed well. Table 2 below demonstrates that only 69 PAPs (94% are unskilled) from all resettlement sites are employed by GRML. During community consultations at Bubulake, settlers who have been relocated at different times over the ten month period have expressed high expectations around employment.

**Table 2:** Employment level at resettlement sites

	Unskilled	Skilled	Total	% of Unskilled
Bubulake	40	2	42	95%
Ravua	3	1	4	75%
Sule	9	1	10	90%
Koku	13	-	13	100%

Total	65	4	69	94%
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GRML's slow progress around recruitment from the resettled households at the relocation sites has affected the resettlement process. Under current arrangement, the PAPs population is fully dependent on livelihood supply by GRML. Limited employment opportunity has seen a number of PAPs return to panning in the Southern Pits. The success of the relocation process of the Phase 2 villages depends on the resettlement population having viable livelihood opportunities.

### *Recommendations*

11. As per the *2009 RAP*, Selection committees need to be established to allocate gardening plots within the community. Selection Committees (or Village Planning Committees) will also play an important function in terms of social development and livelihood planning (*Outstanding Recommendation No. 1*, February 2011 and *No. 15*, July 2011).
12. GRML to make continued efforts at increasing the number of PAPs employed by the project in order to affect the livelihoods of the 1899 PAPs. Efforts also need to include monitoring the distribution of jobs across the villages and relocation sites. This is a requirement under the *2009 RAP* and the *2006 Subsidiary Agreement (Outstanding Recommendation No. 12*, February 2011 and *No. 16*, July 2011).
13. GRML to undertake a skills audit at the household level in order to maximise the pool of local skills and qualifications for livelihood planning and employment with the company and other emerging initiatives (*Outstanding Recommendation No. 13*, February 2011 and *No. 17*, July 2011).
14. The HR and CR team to work together in communicating information about the company's recruitment policy (*Outstanding Recommendation No. 14*, February 2011 and *No. 18*, July 2011).

### **5.2. Food Security**

The food distribution system continues to be the primary vehicle for provisioning in the resettlement sites. As per the subsidiary agreement, the company is to provide food support for up to six months from the date of relocation. In the July 2011 report, two issues were identified as outstanding and critical.

The first relates to the food distribution mechanism which remains unresolved. During the October 2011 monitoring visit, settlers once again raised food distribution issue. Settlers

continue to experience delays in the delivery of food and inconsistency in the quantity of food items in the baskets. The majority of the new settlers at Bubulake were relocated longer than 6 months and complained that they no longer received food rations or a cash allowance. The transitional period has seen villagers move from a state of self reliance to a complete dependence on the company's food rations. These provisions have now come to an end leaving settlers to depend on the gardens which have not been fully established.

The second relates to the readiness of gardens and the support provided by GRML in collaboration with the Provincial Department of Agriculture to conduct agricultural training session with settlers. At the October 2011 monitoring visit, the monitors observed overall progress in the gardens at Ravua and Bubulake with cassava and sweet potato harvested at Bubulake. While this is a significant progress, gardens are at an early stage and cannot reliably support families. The CR team conduct regular visits to the resettlement sites providing gardening training in July, August, and September 2011. However, the Provincial Department of Agriculture did not participate in the training process.

The short term nature of food rations and the unreliable state of gardens raised real food security risks for the resettlers. According to the monitor's community meetings at Kuper's Creek and Bubulake, settlers have already started to return to the Southern Pit areas for gold panning.

Ending the food provisions when villages are not food secure is a major compliance issue. Efforts need to be made in order to ensure that settlers have adequate livelihood support until they are able to resource their own livelihood needs. It is critical that GRML plans and prepares well before the Phase 2 relocations commence. Based on our assessment of the current practice and capacity, GRML is not well placed to manage this transition.

### *Recommendations*

15. The food distribution mechanism continues to be an issue with ongoing delays and inconsistency with food stuffs. Food distribution system needs to be monitored closely to ensure a consistent and timely delivery of food to settlers (Outstanding *Recommendation No. 15*, February 2011 and *No. 19*, July 2011).
16. Settlers at Bubulake who have been relocated longer than 6 months no longer receive food rations or a cash allowance. This is a compliance issue and efforts need to be made to ensure settlers have adequate support until they are able to resource their own livelihood needs.

17. To support villagers in their transition from panning to small-scale agriculture greater levels of training and support are required around food production (Outstanding *Recommendation No. 17*, February 2011 and *No. 21*, July 2011).
18. GRML to establish a strategy to ensure that the food distribution mechanism and food gardens are able to cope with the influx of relocatees from the Phase 2 areas (Outstanding *Recommendation No. 18*, February 2011 and *No. 22*, July 2011).

### **5.3. Royalties**

According to the *2009 RAP*, a royalty payment of 1.2% and 0.3% is to be made to Landowners and the Guadalcanal Provincial Government, respectively. It was initially estimated that SBD16,000,000 would be allocated to the 16 tribes annually. The first payment of royalties was scheduled for June 2011.

The July 2011 monitoring report recorded the issuance of the first royalty payment to the landowners amounting to SBD 61,249.15. The payment was for the production month of April 2011. During the October 2011 monitoring visit, the monitors noted that the transfer of royalty funds to tribal accounts had been delayed since the first transfer in June 2011. At a meeting with the GRCLC, tribal representatives informed the monitors that the tribes had received the funds on 18 October 2011. The representatives attributed the delay to the failure by the Treasury Department to transfer the funds on time after receiving it from the Central Bank. Following the receipt of payments, the GRCLC has called a meeting with GRML and the SIG for 24 October 2011 to discuss the causes of the delay and ways to improve the transfer of royalty funds.

At a meeting with the Provincial Government Executives, representatives also indicated that there were delays in payments.

According to an internal document received from GRML at the time on the October 2011 monitoring visit, the funds transferred include payments from four shipments as detailed in Table 3 below.

Table 3: Gold production and royalty distribution (values are monthly and in SBD)

	Production period	Payment due	Shipment Values		Total Gross Royalty	G. Province (20%)	Landowners (80%)	WHT (7.5%)	Net Landowners
			Gold	Silver					
Shipment 1	April	June	5,463,688	54,254	82,769	16,554	66,215	4,966	61,249.15
Shipment 2	May	July	20,192,931	238,712	306,475	61,295	245,180	18,389	226,791.23
Shipment 3			13,568,734	220,205	206,834	41,367	165,467	12,410	153,057.23
Shipment 4	June	August	19,167,235	281,642	291,733	58,347	190,607	14,296	176,311.26

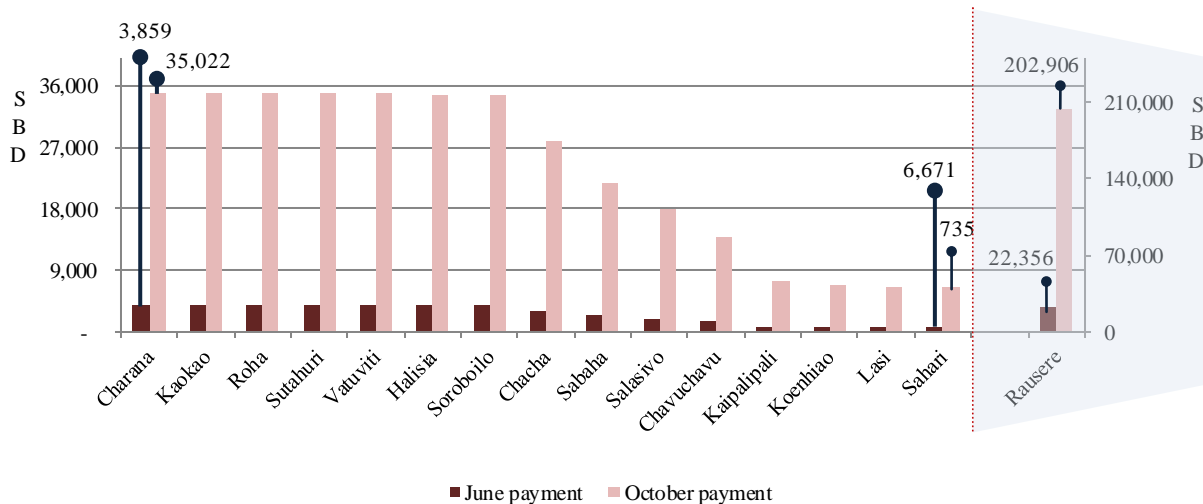
*Date of receipt by landowners – October 2011*

The July 2011 monitoring report had listed two issues that needed consideration when assessing royalty payments. These issues can be assessed using the royalty payments made so far (listed in Table 3).

Issue 1: The first issue relates to the percentage share and payments of royalties. Each of the 16 tribes is eligible to a different percentage share of royalties. For example, the Rausere tribe holds the largest share (36.5%) of total royalty payments, while the other 15 tribes share the remaining 63.5% of payments, with the Sahari tribe receiving the smallest percentage share of only 1.2%. In addition, the amount each tribe receives is affected by monthly production level and the price of gold. For instance, a transfer of SBD 61,249.15 was made to the landowners in June 2011 which is considerably lower than the SBD 555,905.69 transfer made in October 2011.

For the June 2011 transfer, the Rausere received a total of SBD 22,356 while the 15 tribes shared the remaining SBD 38,893.15 (Figure 9). For the October 2011 transfer, the Rausere tribe received a total of SBD 202,906 while the 15 tribes shared the remaining SBD 353,000, each receiving below SBD 40,000. At the tribal level, monthly payments can vary considerably. For example, the Sahari tribe received SBD 735 from the June transfer and SBD 6,671 from the October transfer. At the same time, the Charana with a share of 6.3% received a payment of only SBD 3,859 from the June transfer while receiving a total of SBD 35,022 from the October transfer.

Figure 9: Monthly royalty payment received by tribes in October 2011

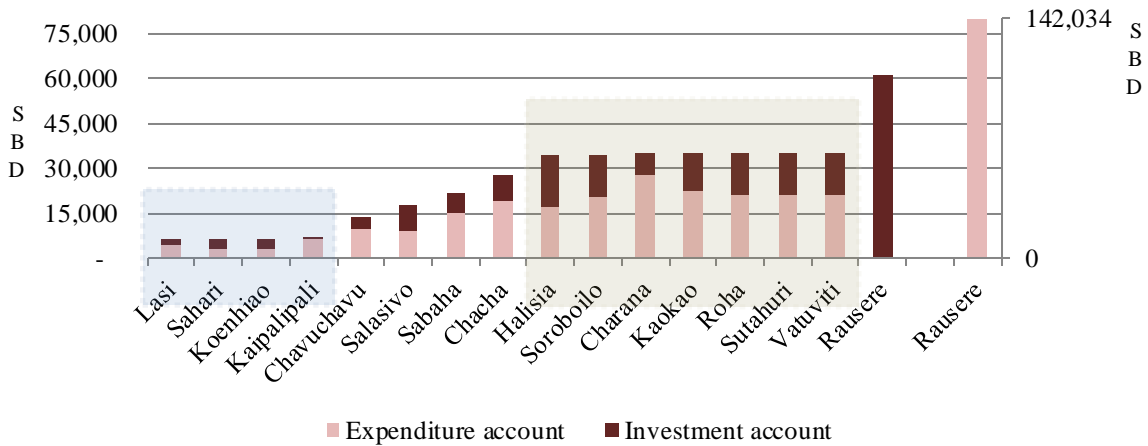


**Issue 2:** The second issue relates to the dilution of royalty payments at household level. The dilution effect depends on two factors: (1) the amount of money the tribes receive monthly; and (2) the number of households in a tribe who are eligible for a share of the monthly payment. Under the royalty agreement, eight of the eligible tribes take 20% of the total royalty transfer. These eight tribes collectively receive SBD 12,005 from the June 2011 transfers and SBD 108,958 from the October 2011 transfers. When distributed at tribal level, dilution depends on each tribe’s internal mechanism for distribution and the number of households and PAPs registered in a tribe. The full extent of the dilution effect cannot be determined due to the absence of a complete tribal census data and a lack of information about how each tribe intends to share benefits among its members.

As mentioned above, a meeting with the GRCLC confirmed the receipt of royalty payments. However, information regarding the payments, amount, and distribution of royalties to tribal accounts was not available to settlers in the relocation sites. Settlers raised issues about a lack of transparency and accountability from both the landowner representatives and the SIG. It is important that GRML ensures project benefits are realised at community level through capacity building and active engagement with community and their representatives around the use of royalty payments.

According to the 2009 RAP, each tribe is required to form a “Savings/investment” and an “operational/expenditure” account. Each account is required to have five trustees. As at October 2011, the formation of tribal accounts comprising five trustees has been finalised. Figure 10 below demonstrates the allocation of the October 2011 transfers to the two accounts for each tribe. Four of the sixteen tribes have divided their royalty allocation equally between the investment and expenditure accounts. The rest of the tribes allocate less than 40% of royalty payments to their investment accounts.

**Figure 10:** Monthly allocation of October 2011 royalty payments to investment and expenditure accounts by tribe



As shown in Figure 10 above, the amount allocated to the two accounts differs across the tribes. The seven tribes highlighted in green receive equivalent royalty payments, but vary according to what they allocate to each of their two accounts. A similar disproportionate allocation of payments is observed in four tribes (highlighted in blue) which are in the lowest range of payments. In particular, the Kapalipali tribe allocates the smallest portion of payments, only SBD 1,105 (15%), to its investment account.

At the October 2011 monitoring visit, the monitors held a meeting with the executive representatives of the Women’s Task Force (WTF). At the meeting, the WTF confirmed that women are represented in both the expenditure and investment accounts of all tribes. Through an agreement with tribal representatives, the WTF, with GRML’s support, was able to put in place a formal process of access to tribal accounts in order to promote accountability.

The previous monitoring report raised issues related to compensation payments to the KTDA/MDA and their request for a share in the royalty payments. At the October 2011 monitoring visit, the monitors held an interview with a representative of the KTDA/MDA. The representative noted that all outstanding compensation payments for the provision of Bubulake site and an agricultural parcel of land were settled. However, the KTDA/MDA’s request for inclusion in the royalty payments was rejected by the newly formed Gold Ridge Activation Task Force.

The representative confirms that the KTDA/MDA will pursue the case as it believes the association played a key role in the project by providing a resettlement site. In addition to site provision, the KTDA/MDA is a significant contributor in hosting the tailings dam and the CR department at Bubulake, and providing access to plant site and land for clinic and police buildings. The downstream villages are vulnerable to environmental impacts which continue to be a concern for the KTDA/MDA.

## *Recommendations*

19. Delays in royalty transfers were experienced by both the landowners and the Provincial Government since the first transfers were made in June 2011. This has a critical impact on the livelihood restoration process. GRML to monitor the distribution of payments through to household level (*Outstanding Recommendation No. 24, July 2011*).
20. At the October 2011 monitoring visit, PAPs were generally unaware of royalty payment schedule. Continued monitoring is required in order to ensure that royalties are being disbursed and managed appropriately. Ongoing community awareness campaign is also required to inform villages about royalty amounts, disbursement, and other related information (*Outstanding Recommendation No. 25, July 2011*).
21. Ongoing, financial literacy training is required for all tribal groups to ensure good governance and management of funds (*Outstanding Recommendation No 20, February 2011 and No. 26, July 2011*).
22. Clarity is required on whether the downstream communities will be included in the distribution of royalties. This is not regarded as a compliance issue, but is considered a risk in terms of social stability (*Outstanding Recommendation No 22, February 2011*).

## **5.4. Social Development**

As per *the 2006 Subsidiary Agreement*, GRML has committed to spend SBD10,000,000 over a period of five years for social infrastructure projects. The July 2011 monitoring report noted that progress was made including the completion of the women's market at Bubulake, and the near completion of a nurse's clinic and police station at Bubulake.

During the October 2011 monitoring visit, the monitors held a meeting with the CR team to discuss progress in social development programs. At the meeting, the monitors noted that the newly opened market has not been operating well as there has not been demand for the produces due to high prices. Prices were set high as villagers expected the company's kitchen to buy their produce. However, the kitchen has been buying produce from a supplier in Honiara as well as from overseas. The CR department scheduled a market promotion workshop during which the monitors observed active community participation in buying and selling local produce.

During a meeting between the monitors and the WTF executive members, a shortage in medical services was raised as a serious issue faced by communities. The one functioning clinic in the area is located at Turarana which does not have a nurse. When travelling to Honiara for medical attention, people claimed that they were denied services because they



were not part of the Honiara area. The WTF urged the company to build a clinic in the mine impact area.

The meeting held by the monitors with the Provincial Government Executives also highlighted the need for company investment in social services such as education and health. As recommended in the July 2011 monitoring report (*Recommendation no. 25*), GRML needs to work collaboratively with the Provincial Department of Health on health programs such as rolling out health promotion campaigns in the following areas:

- alcohol and drug abuse,
- nutrition,
- sexually transmitted infections,
- skin disease,
- malaria, and
- dysentery

GRML provides scholarships to the Gold Ridge Landowners. At the meeting with the CR team, the monitors noted that all scholarships were ending in 2011. Two issues have been raised: (1) Scholarship payments are made on a six monthly basis and not annually causing delays which affect beneficiaries. A delay in subsistence allowance for the overseas scholarship has occurred potentially affecting studies; (2) Scholarships are underfunded as compared to the national scholarship funds which are almost double the SBD 40,000 that GRML provides. Scholarships form part of the GRML provisions agreed in the 2006 *subsidiary agreement* and need to be managed in such a way that fulfil the study needs of beneficiaries.

#### *Recommendations*

23. GRML to work collaboratively with the Provincial Department of Health to identify strategies for minimising health risks (STIs, Nutrition, Drug and Alcohol, Malaria, Skin Diseases and Dysentery) in the relocation sites (*Outstanding Recommendation No 27, July 2011*).
24. Scholarships provided by GRML have been generally successful. However, GRML needs to ensure that future scholarships are well funded and that payments are made regularly to beneficiaries.

#### **5.5. Economic Development Action Plan (EDAP)**

The EDAP has not been finalised and an internal monitoring framework has not been established. At the October 2011 monitoring visit, a meeting by the monitors with the GRML Social and Economic Development Superintendent and Social and Economic Development Consultant discussed progress around the EDAP. The plan itself has not been

operationalised and fully costed. During October 2011, the CR team has now started conducting a relational work and public awareness in the villages to encourage community participation in the plan.

There are also plans by the CR department to run cohesive livelihoods program for the remainder of 2011. This involves promoting activities such as dying, sawing, dress-making and skills training for women. Programs are set to start before the end of 2011 and include:

- Supplying resettlement sites with sanitation equipment. The CR department has previously ordered equipment which has not been received. As an alternative, the CR department has plans to purchase moulds which will be assembled using hiring local labourers who do not have employment.
- Market enhancement program. The CR department will conduct a pre-feasibility study to identify market skills, promote bakery, poultry, and farming to supply the company kitchen. Currently, this program is constrained by staff and transport shortages. Further programs include:
  - Training for women on managing produce such as how to dry up vegetables and fruits.
  - Setting up mentor business to teach villagers how to manage markets.
  - Post-Entry Quarantine (PEQ) to be established at Bubulake in order to quarantine imported products.
- Conduct survey of youth in the resettlement sites in order to inform training and education needs.
- Renewing scholarships and providing more grants.

It is important that GRML ensures that livelihood restoration plan is finalised so that programs such as the above form part of the plan and are implemented concordantly. Once finalised the document needs to be reviewed by the IFC and published alongside the Resettlement Action Plan. This is a priority area for project compliance.

### *Recommendations*

25. The EDAP has not been finalised. This is a serious compliance issue. GRML to finalise the revised version and the IFC to review the plan and sign off before it is publicly released (*Outstanding Recommendation No 27, February 2011 and No. 28, July 2011*).
26. As at October 2011, an internal monitoring mechanism has not been established. GRML to establish an internal monitoring system to accompany the revised EDAP (*Outstanding Recommendation No 27, February 2011 and No. 29, July 2011*).

## 6. CONSULTATION AND GRIEVANCE MECHANISM

### **6.1 Disputes and Overall Issues**

#### **6.1.1. Employment**

Employment continues to be the most pressing issue for project affected communities. As confirmed with GRML HR officers, people go to plant site seeking employment. Currently vacancies are advertised through the newly established radio FM (GFM) and newspapers such as the Solomon Star. There has been many applications received by the HR department, however, employment is dependent on the skill level of PAPs. As vacancies continue to focus on skilled labour, there is a risk that unskilled labourers from the PAPs community will miss out.

Given that the next stages of the mining project are going to involve skill-oriented activities, the focus needs to be in promoting skills training for the PAPs. The CR and HR departments need to collaborate in this process. Currently, the CR department's engagement with the HR department is limited to supplying names of job seekers from the PAPs community.

#### *Recommendation*

27. GRML to promote skills training for the PAPs community. GRML also to conduct ongoing community consultations and workshops with PAPs. Workshops need to cover new vacancies, training opportunities and the recruitment process (Outstanding *Recommendation No 30*, February 2011 and *No. 30*, July 2011).

#### **6.1.2. Community Awareness of Relocation**

Relocation of PAPs in the Phase 2 areas has been delayed by several factors. These include the vacant relocation manager's position and significant delays in the construction of roads and housing stock to facilitate the relocation process. At the October 2011 monitoring visit, GRML was unable to provide a schedule for the relocation of PAPs in the Phase 2 areas.

It has been several months since villagers became aware that they will be required to move from their current locations. However, PAPs do not have a clear understanding of when they will be required to move to the relocation sites. During a community meeting with villagers at Kuper's Creek, PAPs expressed their frustration at a lack of consultation by the company. People expected that their cash incomes would be restored either through direct employment with GRML or through livelihood projects supported by the company. However, they hear that those who have been relocated have been experiencing issues relating to unemployment, water supply, electricity, food shortage, and a lack of income for

daily expenses. Villagers are suspicious that the company will not fulfil their expectations and claimed that they will have no choice but to go back to their original villages and continue panning.

More engagement is required with PAPs in the Phase 2 areas to ensure that they have regular project and relocation schedule updates. The PAPs population in the Phase 2 areas is almost three times those who have already been relocated. There is a pressing need for GRML to actively engage with villagers about relocation programs and a resettlement plan that ensures a successful transition for PAPs at the relocation sites. The plan will need to include a thorough assessment of skills, training opportunities, and recruitment with GRML in accordance with the newly revised EDAP. The relocation process of the Phase 1 areas has been characterised by a lack of adequate consultation and disjuncture between physical relocation and livelihood restoration. It is critical for the mining project that GRML ensures the Phase 1 experience is not replicated for the Phase 2 area.

#### *Recommendation*

28. PAPs in the Phase 2 villages continue to lack information in relation to the relocation schedule and transitional support and livelihood provision during and after relocation. GRML to carry out an extensive programme of engagement for villages in the Phase 2 areas drawing upon the experience during the Phase 1 relocations (Outstanding *Recommendation No 31*, February 2011 and *No. 31*, July 2011).

#### **6.1.3. Cyanide Spill Incident**

The July 2011 monitoring report recorded a cyanide spill incident that occurred on 27 May 2011 around the Metapono River. This issue was resolved following a meeting between the independent environmental monitoring group representing the KTDA/MDA and the company. The independent monitoring group has compiled a report after consultations with six villages in the Down-stream area. A submission was made to the company requesting compensation and proposing financial provision for emergency purposes to cover costs related to impacts of any future incidents.

#### *Recommendation:*

29. GRML to develop a notification protocol for critical incidents. A mechanism needs to be in place for providing timely and accurate information to the downstream communities. GRML to de-brief the incident with representatives of the downstream communities and

to ensure that results of water and sediment testing are available to local stakeholders. GRML also to notify the IFC of any future incidents on a timely manner (Outstanding *Recommendation No. 32*, July 2011).

#### **6.1.4. Grievance Mechanism**

Grievances continue to be received at three physical points within the company; (i) Community Relations Department (ii) Security and (iii) Plant Site via a correspondence register. Grievances are also collected during community consultations and meetings held by the CR Team.

In the July 2011 monitoring report, a significant improvement was observed in the implementation and application of the grievance mechanism. Complaints were received and mostly addressed with a sign off by the complainant. At the October 2011 monitoring visit, there was a reduction in grievances recorded. This is attributed to issues being picked up in the vulnerability tracking system or the CR staff managing grievances on the spot at the relocation sites. Grievances that have been recorded refer to issues such as compensations in terms of material, crops, and grave sites. The Social and Economic Development Superintendent assesses grievances and sends them out to responsible units before signing them off.

During the meeting with the CR team, it was noted that the staff in charge of registering grievances has been frequently being pulled out by management in the plant site to work outside his position. This has an effect on the number of grievances registered as the point of contact with the community has not become available to them at all times.

#### *Recommendation:*

30. At the October 2011 monitoring visit, there was a reduction in grievances recorded. Since the first roll out of the vulnerability tracker, the CR team has not applied the tracker at the resettlement sites. It is recommended that vulnerability tracker is operational and the CR team continue receiving grievances at places where they hold consultations (Outstanding *Recommendation No. 33*, July 2011).
31. The CR department to integrate the vulnerability tracking and the grievance recording systems.
32. GRML to work on the integration of systems at plant site with those at Bubulake where the CR function is located. The CR department, the security and plant site to work collaboratively; and the CR department to adopt data recording system introduced at the plant site. (Outstanding *Recommendation No. 35*, July 2011).

## 7. PROJECT'S INTERNAL MONITORING SYSTEM

### **7.1. Internal Monitoring System**

Internal monitoring system is stated in the *2009 RAP* as a key compliance item which is used to inform the external monitoring process. At the July 2011 monitoring visit, the system was still under-developed and reporting mechanisms for internal monitoring have not been implemented by site. As of October 2011, the system remains underdeveloped which is regarded as an area of non-compliance. As listed in the July 2011 report, the key areas that need to be considered are:

- Grievance mechanisms and complaints
- Relocation Schedules
- Community Engagement and Consultation (relocation and resettlement related)
- Construction Schedules (physical relocation related)
- Livelihood Restoration and Economic Development
- Social Impacts

### *Recommendations*

33. Information pertaining to the progress of the RAP implementation has not been centralised into a single reporting format as per the RAP provision. This, in itself, is not regarded as a compliance issue; however, the project must be able to articulate progress against specific items in the RAP in the key items listed in 7.1 of this report (*Outstanding Recommendation No. 36*, February 2011 and *No. 36*, July 2011).
34. Social impact monitoring system has to be implemented as a matter of urgency. Current data on health, crime, literacy, and household income and expenditure has to be collected and reported both prior and after physical relocation. Since relocation of PAPs from the Phase 2 areas has not commenced, having solid household data prior to relocation will be vital for livelihood restoration planning and impact mitigation (*Outstanding Recommendation No. 37*, February 2011 and *No. 37*, July 2011).

### **7.2. Vulnerable Household Tracking System (VHTS)**

As a 2009 RAP item, GRML was required to establish a tracking system for vulnerable households. The July 2011 monitoring visit reported the application of household tracking system by the CR team who surveyed approximately 50 households from the relocation communities. Since then, the household tracker has not been deployed again in the relocation sites. While community level concerns can be picked up through the grievance mechanism, VHTS plays a key role in identifying issues at household level. Issues of such importance as those related to surveys on labour force, income levels, assets, health, education and water supply are effectively identified using this instrument.

### *Recommendation*

35. Since the first application of Vulnerable Household Tracking System (VHTS), the household tracker has not been deployed again in the relocation sites. This is a compliance issue and GRML needs to apply VHTS. While community level concerns can be picked up through grievance mechanism, VHTS plays a key role in identifying issues at household level. Issues of such importance as those related to surveys on labour force, income levels, assets, health, education and water supply are effectively identified using this instrument.

## 8. SUMMARY TABLE OF ISSUES

### 8.1. Summary of Recommendations

Key recommendations arising from the October 2011 review of the Gold Ridge Mining Project in The Solomon Islands are presented in the table below. Recommendations are prioritised as follows:

<b>High</b>	Actions that are critical to ensure compliance with commitments contained in the RAP, EDAP or ESAP.
<b>Medium</b>	Actions desirable to comply with social or resettlement good practice or to address actual or potential areas of social risk
<b>Low</b>	Important actions that are less time critical

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
<b>PHYSICAL RELOCATION AND RESETTLEMENT</b>				
Relocation Management	Relocation Manager	1. GRML to recruit a suitably qualified relocation manager as a matter of urgency ( <i>Outstanding recommendation No. 1</i> , July 2011).	(Outstanding)	HIGH
Physical Relocation	Village Consultations in the Phase 2 area	2. There is currently a lack of adequate consultation by the company with the communities in the Phase 2 areas. Frustration levels are high as villagers are desperate for information about relocation schedule and resettlement process. Engagement of the Phase 2 villages is critical and needs to take lessons from Phase 1 relocation experience ( <i>Outstanding Recommendation No. 11</i> , February 2011 and <i>No. 2</i> , July 2011).	(Outstanding)	HIGH



<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Land Ownership	Transfer of Land Title	3. The tenure status of relocatees is still not well understood by settlers. Relocatees have concerns about their security of tenure at the relocation sites. Consultation needs to occur to ensure that relocatees understand their use and ownership rights at the relocation sites ( <i>Outstanding Recommendation No. 2</i> , February 2011 and <i>No. 4</i> , July 2011).	(Outstanding)	HIGH
Resettlement site	Obo Obo	4. The inclusion of Obo Obo as a potential resettlement site presents a risk given the issues around land ownership and acquisition. The site is also expected to be occupied by a mix of tribes with the Cha Cha making up the majority. There is a potential risk of conflict occurring as a result of clustering different tribes in one site with one tribe dominating. GRML to ensure that the mix of relocatees is negotiated with villagers before relocations proceed.	April 2012	MEDIUM
Housing, and Relocation Planning	House Design – Safety Rail	5. The absence of the inside rail on the family house is a serious safety issue. While houses built after the July 2011 monitoring visit have stairs with rails on both sides, previously built houses are still without an interior rail. It is strongly recommended that the rail issue be addressed as soon as possible ( <i>Outstanding Recommendation No. 4</i> , February 2011 and <i>No. 7</i> , July 2011).	(Outstanding)	MEDIUM

<b>Issue area</b>	<b>Description of Issue</b>	<b>Recommendations</b>	<b>Due</b>	<b>Priority</b>
Housing, and Relocation Planning	House Design – Windows	6. A safety and health issue concerns about the glass louvers. Settlers have expressed their security concern over the louvers not being lockable enabling intruders to easily slip a hand to open the windows. It is recommended that all windows be fitted with a firm insect mesh and security grids ( <i>Outstanding Recommendation No. 5, February 2011 and No. 8, July 2011</i> ).	(Outstanding)	MEDIUM
Housing, and Relocation Planning	House Design – flooring structure	7. The cracked floor identified at one of the family houses in Ravua has not been fixed. The monitors also recorded a door falling off one of the houses at Bubulake. At community meetings in Bubulake settlers raised concerns about rain water flowing on the front deck of the houses and leaking into the interior of the houses. The flooring joists are too far apart and some floors have already cracked. The company needs to respond to these housing defects immediately ( <i>Outstanding Recommendation No. 10, July 2011</i> )	(Outstanding)	HIGH
Housing, and Relocation Planning	House Design – Toilets	8. Settlers at Bubulake informed about an incident where toilets in two houses at Bubulake were not working. This caused water from the toilet units to overflow to the floor. Settlers claim that the metal panels have not been properly fitted. This is a serious maintenance issue and the company needs to ensure facilities at resettlement houses are properly functioning.	April 2012	MEDIUM

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Water Supply	Water tank capacity	9. There is a need for an immediate solution to the water supply and storage issues in the resettlement sites. GRML to consider increasing the capacity of water tanks, by installing a centrally accessed water source, a reticulated water supply, or a combination of each (Outstanding <i>Recommendation No. 8</i> , February 2011 and <i>No. 11</i> , July 2011).	(Outstanding)	HIGH
Water Supply	Tank instalment issue Pump/Crank System, outlets	10. Installation defects of water tanks need to be remedied as soon as possible (Outstanding <i>Recommendation No. 6 and 7</i> , February 2011 and <i>No. 12 and 13</i> , July 2011).	(Outstanding)	MEDIUM
<b>LIVELIHOOD RESTORATION</b>				
Selection committees	Gardening plots and other community issues	11. As per the 2009 <i>RAP</i> , Selection committees need to be established to allocate gardening plots within the community. Selection Committees (or Village Planning Committees) will also play an important function in terms of social development and livelihood planning (Outstanding <i>Recommendation No. 1</i> , February 2011 and <i>No. 15</i> , July 2011).	(Outstanding)	MEDIUM

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Employment	PAPs employment and Distribution of Employment	12. GRML to make continued efforts at increasing the number of PAPs employed by the project in order to affect the livelihoods of the 1899 PAPs. Efforts also need to include monitoring the distribution of jobs across the villages and relocation sites. This is a requirement under the <i>2009 RAP</i> and the <i>2006 Subsidiary Agreement (Outstanding Recommendation No. 12, February 2011 and No. 16, July 2011)</i> .	(Outstanding)	MEDIUM
Employment	Internal Monitoring	13. GRML to undertake a skills audit at the household level in order to maximise the pool of local skills and qualifications for livelihood planning and employment with the company and other emerging initiatives ( <i>Outstanding Recommendation No. 13, February 2011 and No. 17, July 2011</i> ).	(Outstanding)	MEDIUM
Employment	Recruitment Strategy	14. The HR and CR team to work together in communicating information about the company's recruitment policy ( <i>Outstanding Recommendation No. 14, February 2011 and No. 18, July 2011</i> ).	(Outstanding)	MEDIUM
Food Security	Food Distribution Mechanism	15. The food distribution mechanism continues to be an issue with ongoing delays and inconsistency with food stuffs. Food distribution system needs to be monitored closely to ensure a consistent and timely delivery of food to settlers ( <i>Outstanding Recommendation No. 15, February 2011 and No. 19, July 2011</i> ).	(Outstanding)	HIGH

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Food Security	Food extension	16. Settlers at Bubulake who have been relocated longer than 6 months no longer receive food rations or a cash allowance. This is a compliance issue and efforts need to be made to ensure settlers have adequate support until they are able to resource their own livelihood needs.	December 2011	High
Food Security	Food Gardens at the Relocation sites / Agricultural Extension Training and Support	17. To support villagers in their transition from panning to small-scale agriculture greater levels of training and support are required around food production (Outstanding <i>Recommendation No. 17</i> , February 2011 and <i>No. 21</i> , July 2011).	(Outstanding)	MEDIUM
Food Security	Alignment of the Relocation Schedule and the Food Distribution System	18. GRML to establish a strategy to ensure that the food distribution mechanism and food gardens are able to cope with the influx of relocatees from the Phase 2 areas (Outstanding <i>Recommendation No. 18</i> , February 2011 and <i>No. 22</i> , July 2011).	(Outstanding)	MEDIUM
Royalties	Payment delays	19. Delays in royalty transfers were experienced by both the landowners and the Provincial Government since the first transfers were made in June 2011. This has a critical impact on the livelihood restoration process. GRML to monitor the distribution of payments through to household level (Outstanding <i>Recommendation No. 24</i> , July 2011).	(Outstanding)	HIGH

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Royalties	Community awareness	20. At the October 2011 monitoring visit, PAPs were generally unaware of royalty payment schedule. Continued monitoring is required in order to ensure that royalties are being disbursed and managed appropriately. Ongoing community awareness campaign is also required to inform villages about royalty amounts, disbursement, and other related information (Outstanding <i>Recommendation No. 25</i> , July 2011).	(Outstanding)	MEDIUM
Royalties	Financial Literacy Training	21. Ongoing, financial literacy training is required for all tribal groups to ensure good governance and management of funds (Outstanding <i>Recommendation No 20</i> , February 2011 and <i>No. 26</i> , July 2011).	(Outstanding)	MEDIUM
Royalties	KTDA/MDA	22. Clarity is required on whether the downstream communities will be included in the distribution of royalties. This is not regarded as a compliance issue, but is considered a risk in terms of social stability (Outstanding <i>Recommendation No 22</i> , February 2011).	(Outstanding)	Medium
Social Development	Heath	23. GRML to work collaboratively with the Provincial Department of Health to identify strategies for minimising health risks (STIs, Nutrition, Drug and Alcohol, Malaria, Skin Diseases and Dysentery) in the relocation sites (Outstanding <i>Recommendation No 27</i> , July 2011).	April 2012	MEDIUM

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Social Development	Scholarships	24. Scholarships provided by GRML have been generally successful. However, GRML needs to ensure that future scholarships are well funded and that payments are made regularly to beneficiaries.	April 2012	MEDIUM
EDAP	Economic Development Plan	25. The EDAP has not been finalised. This is a serious compliance issue. GRML to finalise the revised version and the IFC to review the plan and sign off before it is publicly released (Outstanding <i>Recommendation No 27</i> , February 2011 and <i>No. 28</i> , July 2011).	(Outstanding)	HIGH
EDAP	Internal Monitoring	26. As at October 2011, an internal monitoring mechanism has not been established. GRML to establish an internal monitoring system to accompany the revised EDAP (Outstanding <i>Recommendation No 27</i> , February 2011 and <i>No. 29</i> , July 2011).	(Outstanding)	HIGH
<b>CONSULTATION AND GRIEVANCE MECHANISM</b>				
Disputes and Overall Issues	Employment	27. GRML to promote skills training for the PAPs community. GRML also to conduct ongoing community consultations and workshops with PAPs. Workshops need to cover new vacancies, training opportunities and the recruitment process (Outstanding <i>Recommendation No 30</i> , February 2011 and <i>No. 30</i> , July 2011).	(Outstanding)	MEDIUM

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Disputes and Overall Issues	Community Awareness	28. PAPs in the Phase 2 villages continue to lack information in relation to the relocation schedule and transitional support and livelihood provision during and after relocation. GRML to carry out an extensive programme of engagement for villages in the Phase 2 areas drawing upon the experience during the Phase 1 relocations (Outstanding Recommendation No 31, February 2011 and No. 31, July 2011).	(Outstanding)	MEDIUM
Cyanide Spill	Notification protocol	29. GRML to develop a notification protocol for critical incidents. A mechanism needs to be in place for providing timely and accurate information to the downstream communities. GRML to de-brief the incident with representatives of the downstream communities and to ensure that results of water and sediment testing are available to local stakeholders. GRML also to notify the IFC of any future incidents on a timely manner (Outstanding Recommendation No. 32, July 2011).	(Outstanding)	HIGH
Grievance Mechanism	Complaints Handling Procedure	30. At the October 2011 monitoring visit, there was a reduction in grievances recorded. Since the first roll out of the vulnerability tracker, the CR team has not applied the tracker at the resettlement sites. It is recommended that vulnerability tracker is operational and the CR team continue receiving grievances at places where they hold consultations (Outstanding Recommendation No. 33, July 2011).	(Outstanding)	MEDIUM



<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Grievance Mechanism	Integration of systems	31. The CR department to integrate the vulnerability tracking and the grievance recording systems.	December 2011	HIGH
Grievance Mechanism	Integration of systems at all sites	32. GRML to work on the integration of systems at plant site with those at Bubulake where the CR function is located. The CR department, the security and plant site to work collaboratively; and the CR department to adopt data recording system introduced at the plant site. (Outstanding Recommendation No. 35, July 2011).	(Outstanding)	HIGH
<b>PROJECT'S INTERNAL MONITORING SYSTEM</b>				
Internal Monitoring System	Resettlement Monitoring	33. Information pertaining to the progress of the RAP implementation has not been centralised into a single reporting format as per the RAP provision. This, in itself, is not regarded as a compliance issue; however, the project must be able to articulate progress against specific items in the RAP in the key items listed in 7.1 of this report (Outstanding Recommendation No. 36, February 2011 and No. 36, July 2011).	(Outstanding)	HIGH

<i>Issue area</i>	<i>Description of Issue</i>	<i>Recommendations</i>	<i>Due</i>	<i>Priority</i>
Internal Monitoring System	Social Impact Monitoring System	34. Social impact monitoring system has to be implemented as a matter of urgency. Current data on health, crime, literacy, and household income and expenditure has to be collected and reported both prior and after physical relocation. Since relocation of PAPs from the Phase 2 areas has not commenced, having solid household data prior to relocation will be vital for livelihood restoration planning and impact mitigation ( <i>Outstanding Recommendation No. 37, February 2011 and No. 37, July 2011</i> ).	(Outstanding)	HIGH
Vulnerable Household Tracking System	Linking VHTS to the EDAP	35. Since the first application of Vulnerable Household Tracking System (VHTS), the household tracker has not been deployed again in the relocation sites. This is a compliance issue and GRML needs to apply VHTS. While community level concerns can be picked up through grievance mechanism, VHTS plays a key role in identifying issues at household level. Issues of such importance as those related to surveys on labour force, income levels, assets, health, education and water supply are effectively identified using this instrument.	December 2011	HIGH

## Appendix 1: Independent Monitor Activity Log

Date	Rep	Organisation	Position Title	Location
17/10/2011	Transit			
	Stephen Gimpel	GRML	CSR Manager	GRML/Plant Site
18/10/2011	Michael Doyle	GRML	Construction manager	GRML/Plant Site Relocation site/Koku
	Stephen Gimpel		CSR Manager	GRML/Plant Site
	Ken Ferris		Resettlement Consultant	
	Ruth Liloqula		Social and economic Superintendent	
	Resettlement Sites Visit and Community Meeting			Bubulake (1), Ravua, Koku
19/10/2011	Hon Anthony veke	Provincial Government Executives	Premier	Honiara
	Hon Henry Sikua		Deputy Premier and minister for provincial affairs	
	Hon Rollen Seleas		Minister of Finance	
	Hon Mel Gibbs Topuhu		Minister of Social Services	
	Hon Ileen Sulukonina		Minister for women, youth and sports	
	Hon Patrick Kennedy		Minister of Mines and energy	
	Hon John Irovia		Chairman Guadalcanal Shipping	
	GRCLC Membership	GRCLC	Members	Honiara
	Ruth Liloqula	GRML	Social and economic Superintendent	Bubulake
	CR Team		Team	
20/10/2011	Phase 2 village visit and Community Meeting			Kuper's Creek, Valebeabea
	Sam Maneka	KTDA/MDA	Chairman	Bubulake
21/10/2011	Ellen Davis-Meehan	GRML	Social and Economic Research Consultant	Bubulake
	Ruth Liloqula		Social and economic Superintendent	
22/10/2011	Market promotion visit			Bubulake
	Noelyn Biliki	WTF	Chairperson	Bubulake
	Everlyn Sendo		Secretary	
	Joicelin		Treasurer	
	Mary Fay Maeni	GRML	CR Team Leader	GRML/Plant Site
	Ellen Davis-Meehan		Social and Economic Research Consultant	
23/10/2011	Natalie Orr	GRML	Finance Manager	GRML/Plant Site
	James Gatu		Human Resource Assistant	
	Loata La'a		Human Resource Assistant	
	Dominique Walegere		Senior Metallurgist	
24/10/2011	CSR and GRML Close out			
	Transit			

