



Area One Resettlement Assessment and Livelihood Improvement Planning Independent Expert

Terms of Reference

February 21, 2019

Background

In April 2017, representatives of a local community of artisanal gold miners and merchants, who were resettled for the expansion of the Société AngloGold Ashanti de Guinée S.A (“SAG”) gold mine in a location known as “Area One” in Guinea’s Sigüiri prefecture, filed a complaint, with support from three NGOs,¹ to the Office of the Compliance Advisor Ombudsman (“CAO”).² The complaint includes various grievances related to the resettlement of the community.

Amongst other concerns, the complaint states that the affected persons were not provided with adequate compensation for their lost assets, including land, trees and crops, in accordance with their actual replacement cost. The complainants allege that rental stipends provided by SAG were insufficient to cover the cost of temporary housing between the time that they were displaced from their homes and the time when their new houses were ready at the resettlement site. They state that their cost of living has increased and that their incomes have declined due to a lack of functioning basic services and livelihood opportunities at the resettlement site, the distance between that new site and the center of town, and that they have not been provided with transitional allowances to mitigate these impacts. They also state that SAG did not assess the impacts of resettlement on their livelihoods and provide support to restore and improve them.

As part of the CAO’s Dispute Resolution process, the complainants and SAG (“the Parties”) agreed to recruit an independent expert to i) conduct an audit of the inventory and compensation process to determine the adequacy of compensation and transitional assistance provided by SAG; ii) conduct an evaluation of the impact of resettlement on the livelihoods of the Area One households; iii) develop a livelihood restoration and improvement plan and budget based on the findings of the evaluation, with the full participation of the community, including women, and in consultation with SAG.

Objective and Guiding Principles

The Independent Expert’s objectives are as follows:

- (a) Assess the extent to which the actual compensation and resettlement entitlements with reference to asset replacement costs and transitional assistance provided to affected persons met the requirements of IFC Performance Standard 5 (PS5) and make recommendations to remediate deficiencies identified in the compensation audit, if any.
- (b) Assess the impacts of resettlement (positive and negative) on the livelihoods of affected persons;
- (c) Develop a Livelihood Restoration and Improvement Plan and proposed Budget, based on the findings of the evaluation, with the full participation of the community, including women, in consultation with SAG.

Agreed upon principles guiding this work include:

¹ The complainants are represented by Centre du Commerce International pour le Développement (CECIDE), Les Mêmes Droits Pour Tous (MDT) and Inclusive Development International (IDI).

² CAO is the independent recourse mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group. For additional information, please see <http://www.cao-ombudsman.org/>



- The need for shared confidence between the Parties regarding the expert's independence, competence and credibility.
- The need for the Parties to constructively engage in the entire process, including by sharing all necessary information that the expert needs to fulfill the scope of work.
- The need for IFC Performance Standard 5 objectives and requirements to form the basis of the assessment and recommendations developed by the expert.

Selection Criteria

The CAO will lead the recruitment process for the Independent Expert and shortlist three candidates for the Parties to interview based on their independence, competence, credibility and ability to work constructively with the Parties. Specifically, the Independent Expert should meet the following criteria:

- An advanced university degree in sociology, anthropology, economics, community development or a related field.
- A minimum of ten (10) years of international experience working on resettlement and social safeguards planning, implementation, monitoring and compliance in accordance with international standards
- Experience in resettlement in a mining context
- Proven skills in valuation and compensation assessment in the context of resettlement
- Demonstrated experience in livelihood restoration and community development planning
- Experience working with government, private sector, multilateral institutions and affected communities on complex issues
- Experience working in Guinea or other West African countries
- Familiarity with artisanal mining economies
- Fluency in French and English
- Demonstrated ability to provide objective, evidence-based assessments and recommendations
- Is independent and has no prior association with any of the parties (SAG, AGA, CECIDE, MDT or IDI)

Methodology

Proponents are invited to develop a proposed methodology for the Compensation Audit and Livelihood Impact Assessment and development of the Livelihood Restoration and Improvement Plan.

The work will include two separate and complementary components: (1) an assessment of the compensation and resettlement entitlements provided to affected persons against Performance Standard 5 and an evaluation that looks in a holistic manner at the impacts of resettlement on the livelihoods of the affected persons; and (2) development of a participatory Livelihood Restoration and Improvement Plan to meet the relevant objectives of Performance Standard 5,.

The proposed methodology should include:

- A desk review of all literature related to the resettlement process, including the relevant regulatory framework, the Resettlement Action Plan (RAP) and socio-economic study commissioned by SAG; the asset inventory and compensation contracts; and the complaint to the CAO;
- Household interviews and focus group discussions with affected persons, including separate interviews with women and disadvantaged groups, and interviews with the complainants' NGO advisors, SAG staff, traditional leaders / Deans and relevant local and national government authorities and agencies;
- Alignment with IFC Guidance Note 5 and Guinea regulations for valuation of land, structures, crops, trees and small businesses, if any, utilizing whichever standard is more favorable to the affected people.
- An economic analysis of past, present and potential livelihood opportunities in the area
- A participatory approach to livelihood restoration and development planning



The methodology must take into consideration the specific socio-economic context and impacts of artisanal mining and SAG on local livelihoods. It must also consider the broader socio-economic and political context in the region. This should include existing or alternative livelihood opportunities, migration patterns, traditional power and authority structures, political influences, ability of local government to provide services, and any relevant factors which impacted the implementation of the RAP.

A detailed methodology and approach will be presented to the Parties for approval as part of the expert's inception report prior to the commencement of the work.

Scope of Work

The scope of work includes two major components, which aim to achieve the above objectives:

Component 1: Compensation and Livelihood Impact Assessment

This component entails a detailed examination of the asset inventory and compensation process conducted by SAG and the adequacy of compensation packages provided to individual affected households. The assessment will also evaluate in a holistic manner the impacts of resettlement on the livelihoods of affected persons.³ It will examine impacts of relocation on the incomes, services and standard of living of affected persons as well as any additional costs / savings as a result of relocation⁴.

Specifically, the assessment should determine whether: 1) the compensation matrix developed for the resettlement process met the standard of full replacement cost; 2) whether the actual compensation provided was in line with the compensation matrix; 3) whether transitional assistance provided by SAG, if any, was sufficient to compensate for any reduction in income or increase in cost of living attributable to the resettlement process; and 4) whether the overall compensation and resettlement process complied with the requirements of PS5.

Component 2: Livelihood Restoration and Improvement Plan

Component 2 entails the design of a Livelihood Restoration and Improvement Plan, taking into consideration the information gained from Component 1. The objective of the plan should be to improve, or at least restore, the means of income-earning capacity, production levels and standards of living of affected persons compared with pre-resettlement levels, in line with PS5.⁵

The expert should closely involve SAG and the affected persons in developing objectives, considering options and determining preferences for livelihood activities, while also ensuring expectations are not unnecessarily elevated. Broad participation should be sought in this process, including the views of subgroups (women, elders, youth). The expert should consider realistic livelihood opportunities, constraints, risks, skills and preferences of the affected persons in order to tailor a plan consisting of a variety of viable income restoration opportunities and livelihood improvement options. The plan should pay particular attention to gender dimensions and include gender-specific priorities for livelihood restoration and improvement, taking into consideration the well-documented increased burden that resettlement typically

³ As defined by PS5, "the term *livelihood* refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging other natural resource-based livelihoods, petty trade, and bartering (footnote 1)."

⁴ By looking into impacts of relocation, the expert will determine, among other aspects, whether the complainants were entitled to be compensated for the trees that they used to have in Area One, and if so, whether they have been adequately compensated according to the full replacement cost standard.

⁵ IFC, PS 5, para. 28.



places on women's livelihoods. The plan should consider the provision of income generating capital or assets, vocational training and/or access to markets or jobs.

The plan should be practical and efficient, with an eye toward implementation, and include reasonable timelines associated with any recommendations, understanding that the affected individuals may choose to pursue their own preferred livelihood options. The plan's recommendations should be prioritized to identify those that are most readily implementable and with the greatest impacts.

The plan should make every effort to avoid creating conflict or exacerbating inequalities (real or perceived) in the local community, for example between those resettled and their host community.

The review should clearly identify the respective roles that the company, government and other stakeholders should fill in each area of the plan, given those roles will be interdependent and require a level of coordination and engagement in order to succeed.

Final Report

The expert will deliver a final report, including findings and recommendations to remediate deficiencies identified in the compensation audit, if any, and a Livelihood Restoration and Improvement Plan for the PAPs, with a corresponding indicative budget and monitoring guidelines (including both quantitative and qualitative indicators).

The expert will provide a draft of the report to the Parties for a factual review prior to its completion. The draft report and recommendations will be presented in person to the PAPs for their comments and feedback. Based on the feedback received, the expert will prepare a final report within one month of receiving feedback. The draft and final report will be prepared in both English and French.

As per the agreement signed by the Parties in May 2019, they have agreed to respect and implement the recommendations of the independent expert. If deficiencies in the compensation are identified by the expert, SAG will provide remedial compensation to the affected households in accordance with the expert's recommendations. SAG agrees to provide the financial and technical support required to implement the Livelihood Restoration and Improvement Plan developed by the expert.

Expressions of Interest

Interested candidates should submit an Expression of Interest, including a summary of the relevant experience and qualifications of the candidate, a proposed approach to implementing the scope of work, a budget proposal and a summary CV.

From the submitted Expressions of Interest, the CAO will shortlist three top candidates to be interviewed by the Parties respectively, and from which a final selection will be made.