Teranga Gold Corporation

LIVELIHOOD RESTORATION AND RESETTLEMENT POLICY

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This Livelihood Restoration and Resettlement Policy has been prepared by rePlan Inc., an independent consulting firm headquartered in Canada that specialises in managing the social impacts and risks associated with resource extraction projects, under contract to Teranga Gold Corporation. This document was reviewed and approved by Paul Cannon, Community Relations Manager on July 11, 2012. It represents the policy of Teranga Gold Corporation, as well as the Sabodala Gold Operation and Sabodala Mining Corporation, with regard to land acquisition and the management of any related economic and/or physical displacement through resettlement and/or livelihood restoration processes.

This policy may be updated or modified in the future. Any new version of this policy must carry the explicit approval of Teranga Gold Corporation management for changes to have effect.
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<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEA</td>
<td>Autorisation d'Exploitation Artisanale</td>
</tr>
<tr>
<td>AKAD</td>
<td>L'Association Kedougou Action Developpement</td>
</tr>
<tr>
<td>ASM</td>
<td>Artisanal and Small Scale Mining</td>
</tr>
<tr>
<td>CADL</td>
<td>Centre d'Appui au Developpement Local</td>
</tr>
<tr>
<td>DMG</td>
<td>Direction des Mines et de la Geologie</td>
</tr>
<tr>
<td>DRDR</td>
<td>Direction Regionale de Developpement Rural</td>
</tr>
<tr>
<td>EIES</td>
<td>Etude d'Impact Environnemental et Social</td>
</tr>
<tr>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
</tr>
<tr>
<td>GIE</td>
<td>Groupements d'Inte'ret Cynegetique</td>
</tr>
<tr>
<td>GPF</td>
<td>Groupements de Promotion Feminine</td>
</tr>
<tr>
<td>GRS</td>
<td>Government of the Republic of Senegal</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>LRF</td>
<td>Livelihood Restoration Framework</td>
</tr>
<tr>
<td>LRP</td>
<td>Livelihood Restoration Plan</td>
</tr>
<tr>
<td>LRRP</td>
<td>Livelihood Restoration and Resettlement Policy</td>
</tr>
<tr>
<td>PAP</td>
<td>Project Affected Person</td>
</tr>
<tr>
<td>PAPIL</td>
<td>Project d'Appui au Petit Irrigation Local</td>
</tr>
<tr>
<td>PAV</td>
<td>Project Affected Village</td>
</tr>
<tr>
<td>PLD</td>
<td>Plan Local de Developpement</td>
</tr>
<tr>
<td>PNF</td>
<td>Project Negotiation Forum</td>
</tr>
<tr>
<td>PRDI</td>
<td>Plan Regionale de Developpement Integre</td>
</tr>
<tr>
<td>PS</td>
<td>Performance Standard</td>
</tr>
<tr>
<td>PSR</td>
<td>Plan Succinct de Reinstallation</td>
</tr>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>RF</td>
<td>Resettlement Framework</td>
</tr>
<tr>
<td>ROM</td>
<td>Run Of Mine</td>
</tr>
<tr>
<td>SGO</td>
<td>Sabodala Gold Operation</td>
</tr>
<tr>
<td>SMC</td>
<td>Sabodala Mining Company</td>
</tr>
<tr>
<td>SMEA</td>
<td>Small Mine Exploitation Authorisation</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operating Procedure</td>
</tr>
<tr>
<td>SRADL</td>
<td>Service Regional d'Appui au Developpement Local</td>
</tr>
<tr>
<td>SRAT</td>
<td>Strategie Regionale de l'Aménagement du Territoire</td>
</tr>
<tr>
<td>TSF</td>
<td>Tailings Storage Facility</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
</tbody>
</table>
Section 1: Introduction

1.1 The Company

Teranga Gold Corporation (Teranga Gold) is a Canadian gold mining company, which acquired the Sabodala Gold Mine and a number of exploration permits located in Senegal, West Africa, from an Australian company called Mineral Deposits Limited in 2010.

Teranga Gold has two subsidiary companies operating in Senegal:

1. Sabodala Gold Operation (SGO), which is a company incorporated in Senegal, is 90% owned by Teranga Gold and 10% owned by the Government of the Republic of Senegal (GRS), and operates the Sabodala Gold Mine; and,
2. Sabodala Mining Company (SMC), which is a company incorporated in Senegal, is 100% owned by Teranga Gold, and undertakes exploration activities under the Mining Convention.

Teranga Gold, SGO and SMC are together referred herein as “the Company”. This document applies equally to the Company and any future subsidiaries majority owned by Teranga Gold and registered in Senegal.

The Sabodala Gold Mine was constructed in 2008 and the first gold pour occurred in March 2009. It is the only large-scale gold mine in operation in Senegal. With completion of the mill expansion in mid-2012, the processing capacity of the processing plant will increase to approximately four million tonnes per annum.

The Sabodala Gold Mine is located in a Mine Lease, which comprises 33 km². Its current footprint is roughly 800 hectares and comprises the following major components:

1. Mining Area – This area includes the process plant, mine pit, tailings storage facilities, water reservoirs, waste rock dumps and Run Of Mine (ROM) pad, as well as related safety buffer zones;
2. Operators Village – This area includes housing and associated facilities for workers; and,
3. Auxiliary Facilities – This area includes the explosives compound and roads.

The Company is actively exploring both the Mine Lease and a number of Exploration Permits, comprising approximately 1,500 km². It has established three permanent exploration camps in the region to facilitate its ongoing activities.

The Company believes the Mine Lease and Exploration Permit area, has significant prospective potential and therefore is pursuing an extensive multi-year exploration program. It plans to incrementally expand its mining operations throughout the region over time, as exploration activities are advanced, feasibility studies completed, and the necessary permissions and approvals obtained. For the purpose of the Livelihood Restoration and Resettlement Policy, each incremental expansion will be treated as a stand-alone Project.
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Sabodala Gold Operation

LEGEND

REFERENCE
- National Boundary
- Region
- Paved Road
- Road
- Village

MINING ACTIVITY
- Existing Mine/Mill
- Exploration Camp

Source:
- Tacon戒, perrai, pemutra_min2011.shp
- Kolongo/Gemeral/Demolitionboundary.shp
- Basemap from Jaccard’s ‘Regional Exploration Map 2012/2013’
- Digitised from Base Map on DropBox
- DNA GIS

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1.2 Land Acquisition

The Company will require access to land to explore, develop and operate its projects over time. Often, this land will be already occupied in some manner, whether people physically reside there or use that land as a means of livelihood.

As a result, acquiring land or land use rights for a given project may cause:

- physical displacement, which means that land acquisition results in a loss of people’s homes; and/or
- economic displacement, which means that land acquisition results in a loss of assets that leads to loss of means of livelihood.

Such displacement can be either temporary or permanent in nature. It can also be either complete, in that all assets of a given person or household are affected, or partial, in that only some assets are affected.

The Company has committed to complying with international standards, as established by the International Finance Corporation’s (IFC’s) Performance Standards (PS) on Social and Environmental Sustainability. In keeping with these PS, the Company will carefully manage the acquisition of land that results in any displacement through:

- resettlement processes, if the acquisition causes any physical displacement; or
- livelihood restoration processes, if the acquisition causes economic displacement but no physical displacement [note: if economic displacement is significant, resettlement may be an option].

These processes are high risk, for both the Company and the people and communities that it displaces. For the Company, such processes are often controversial, costly and time-consuming, and if mismanaged can cause social unrest and delays to project development. For those displaced, such processes are stressful and complicated, and if mismanaged can result in long-term impoverishment.

Getting land acquisition and resettlement / livelihood restoration processes right is not easy, but some of the positive consequences of so doing include:

- For the Company – an ability to define, develop and operate a given project in accordance with its corporate values, positive relationships with local communities, and a reputation as a socially responsible company; and,
- For those displaced – improved living conditions and quality of life.

1.3 This Document

This document – the Company’s Livelihood Restoration and Resettlement Policy (LRRP) – represents the Company’s plan for “getting it right” when it comes to land acquisition, livelihood restoration and resettlement. It sets out the broad principles, policies and procedures that will govern the Company’s approach moving forward, and provides a consistent framework to be
Livelihood Restoration and Resettlement Policy

used by the Company in the preparation of complete Livelihood Restoration Plans (LRPs) and Resettlement Action Plans (RAPs) for specific projects in the future. Project-specific LRPs and RAPs will:

- provide a complete description of the specific project under consideration, those affected, and displacement-related impacts;
- present the negotiations and stakeholder engagement process that accompanied plan preparation; and
- specify the procedures that the Company will follow and the actions that it will take to mitigate and redress adverse effects, compensate for losses, provide development benefits to those affected, and otherwise manage the displacement impacts of any project.

This document forms part of the overall Environmental and Social Management Plan for the Company. Future LRPs and RAPs will be designed as stand-alone documents in accordance with international best practice.

This document comprises the following eleven sections:

1. Provides an introduction to the document
2. Defines the legal and institutional framework that will guide future land acquisition activities
3. Provides an overview of existing socio-economic conditions
4. Describes the general impacts of land acquisition
5. Describes the Company’s approach to land acquisition
6. Outlines the Company’s approach to stakeholder engagement
7. Outlines high-level eligibility and entitlement policies that will serve as the core around which future LRPs and RAPs are formed
8. Describes the Company’s approach to livelihood restoration and community development programs associated with land acquisition
9. Describes the kinds of assistance measures that could be made available to vulnerable people and groups
10. Outlines the key elements of a grievance management system to be used for future land acquisition processes
11. Outlines a proposed monitoring and evaluating program
12. Describes a Way Forward, as individual projects and their land acquisition needs are identified
Section 2: Institutional and Legal Framework

This section presents the current institutional and legal framework that has guided definition of this Policy and that will guide the preparation and implementation of future LRP and RAPs.

2.1 IFC Performance Standards on Social and Environmental Sustainability

The Company is committed to meeting the IFC Performance Standards (PS) on Social and Environmental Sustainability. These standards, together with the accompanying Guidance Notes, have become the most widely accepted framework in the world for managing the social and environmental impacts and risks associated with private sector development projects in emerging markets. The PS most relevant to this Framework are described briefly below.

**Performance Standard 1: Social and Environmental Assessment and Management System**

PS1 describes how environmental and social issues are to be handled in project development and serves as the core around which the other standards are framed. This standard requires that nearby communities be appropriately engaged on issues that could potentially affect them. Key requirements to this end include:

- conducting an informed consultation and participation process with affected communities;
- working in an inclusive and culturally appropriate manner;
- addressing the needs of disadvantaged or vulnerable groups; and,
- making available an effective grievance management system.

**Performance Standard 5: Land Acquisition and Involuntary Resettlement**

PS5 refers to the management of physical and economic displacement resulting from project-related land acquisition through livelihood restoration and resettlement processes. Objectives are to:

- avoid or at least minimize involuntary displacement wherever feasible by exploring alternative project designs;
- avoid forced evictions;
- mitigate impacts from land acquisition, by providing compensation for loss of assets at full replacement cost and ensuring that livelihood restoration and resettlement activities are implemented with appropriate stakeholder engagement;
- improve or at least restore the livelihoods and standards of living of displaced persons; and,
- improve living conditions among those physically displaced through the provision of adequate housing with security of tenure at resettlement sites.

PS5 introduces the concept of negotiated settlements to avoid forcible removal of people or land use activities, and requires that project proponents “bridge the gap” between IFC requirements and domestic legal requirements. PS5 also provides for proponents to prepare a Livelihood Restoration or Resettlement Framework “where the exact nature or magnitude of
land acquisition or restriction on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the stage of project development.”

2.2 Senegalese Institutional Framework

2.2.1 National Government

Senegal is a democratic republic with a multi-party political system.

Executive Branch: The President is elected by popular vote for a seven-year term, and serves as head of state. The Prime Minister is appointed by the President and serves as head of government. The Prime Minister appoints a Council of Ministers, in consultation with the President, each of which is responsible for different areas of administration. Those ministries with an interest in Company land acquisition processes include:

- **Ministry of Environment**, which includes the Department of Environment, responsible for implementation of environmental policies, including review and approval of Environmental and Social Impact Assessments for development projects.
- **Ministry of Mines and Energy** which includes the Department of Mines and Geology, responsible for implementation of mining policies, including application of mining conventions and adherence with the Mining Code.
- **Ministry of Economy and Finances**, which is responsible for economic, customs and fiscal policy. Includes the Treasury, the Planning and Statistics Department, and the national Cadastral Department.
- **Ministry of Planning and Local Communities**, which includes the Local Communities Department and the Local Development Agency.
- **Ministry of the Interior** – Contains the Department of Territorial Administration, which is the department that is responsible for territorial administrators such as Governors, Prefects, and Sub-Prefects.

Legislative Branch: Parliament comprises an Upper House (Senate) and a Lower House (National Assembly). The Senate has 100 seats; 35 members are indirectly elected as representatives of Departments and 65 are appointed by the President. The National Assembly has 150 seats; 90 members are elected by direct popular vote and 60 are elected by proportional representation from party lists. Members of Parliament serve five year terms; neither House is expected to play a role in future land acquisition processes. The Senate provides a democratic check on the laws authored, deliberated and passed by the National Assembly.

Judicial Branch: The nation’s highest courts are the Constitutional Council and the High Court of Justice. The former is headed by the President and determines the constitutionality of laws and international commitments. The National Assembly elects the 16 members of the High Court of Justice from among its ranks. The Constitution declares that the judiciary is independent from the executive, the legislature and the armed forces. Lower order courts include: assize courts, for criminal matters; appellate courts, for appeals; regional tribunals, for civil and commercial matters; departmental tribunals, for petty offenses; and labour tribunals, for violations of labour law. In compliance with Senegalese law, the judicial branch will form part of the grievance
management system made available to those affected in situations where they are unable to reach an agreement with the Company or prefer to go to court to settle disputes. The judicial branch also plays an important role in the implementation of expropriation procedures, in situations where good faith negotiations fail.

2.2.2 Sub-national Administration

The administrative functions of the Senegalese state are partly delegated to a number of sub-national ‘local communities’ (collectivités locales): regions, rural communities and communes. Local communities were created in their current form as the most recent step (1996) in a long process of decentralization of state power, and entrusted with a number of domains of traditional state intervention. Among other domains, they are responsible for environment and natural resource management and urban and territorial planning. Local communities are delegated the management of certain public and ‘private’ state lands, or usage rights of the same. In general, the national domain lands of Senegal (~95%) remain under the ownership of the central state.

Local communities are not autonomous and must work in coordination with each other and the central state. The central state’s interests are protected through a hierarchy of state representatives in nested administrative districts: regions, departments, and arrondissements. Governors, Prefects and Sub-Prefects represent the Prime Minister at the level of the region, department and arrondissement, respectively. State representatives protect the national interest, ensure respect for the rule of law and public order, and exercise legal and budgetary control over their respective districts. They ensure that the local communities within their purview are regularly and properly exercising their authority. The decisions of local communities must be formally approved by a specified state representative.

Regions - Senegal is subdivided into 14 regions, each of which is governed by an elected Regional Council. The central state is represented at the regional level by a Governor – a Ministry of the Interior official who resides in the primary commune (chef lieu) of the region.

Regional Councils are charged with promoting the economic, educational, social, sanitary, cultural and scientific development of the region; creating regional development plans (Plans Regional de Developpement Intégré - PRDI); and planning the development of regional territory in a manner that respects the integrity, autonomy and specificities of its component communes and rural communities. Regional Councils are elected for a period of 5 years, are composed of regional councillors and a bureau, and presided by a President. The president prepares and executes the decisions of council, manages the expenditures of local communities, and is the chief of all regional services. The regional bureau is composed of the President, First Vice President, Second Vice President, and two Secretaries.

In terms of land use planning and management, the Regional Council is charged with:

- elaborating and executing Regional Integrated Development Plans (plans régionaux de développement intégré - PRDI);
- coordinating development actions within the Region;
- in association with the central state, the award of contracts for achieving development objectives;
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- elaborating regional territorial plans (schéma régional d'aménagement du territoire – SRAT) in conformity with the national territorial plan (plan national d'aménagement du territoire);
- approving urban master plans (schémas directeurs d'aménagement et d'urbanisme SDAUs); and
- supporting rural communities and communes in urban and territorial planning matters.

A Governor is named by decree and delegated to each region by the President of the Republic of Senegal. The Governor represents the Prime Minister and each of the central ministries in his or her region, and ensures the protection of the national interest and the rule of law and public order. The Governor ensures the coordination between regional services and the services of the central state. As the representative of the Prime Minister, the Governor authorizes decisions of the Regional Council.

The Company’s operations are located in the Regions of Kedougou and Tambacounda. The Kedougou Region, a former Department of the Region of Tambacounda, was created in 2008, in part to manage the demographic, environmental, social and cultural changes associated with the emerging mining-based economy.

**Departments and Arrondissements** - Regions are divided into Departments. Departments are both electoral districts, within which deputies are directly elected and senators are indirectly elected, and administrative districts headed by a Prefect (Préfet). The Prefect is an appointed Ministry of the Interior official, under direct authority of the Governor, who resides in the primary commune (chef lieu) of the Department. Departmental boundaries are defined by Ministerial decree.

The Prefect has the authority to define the minimal conditions for the productive use of land with reference to the conditions for the local area. He or she directs and coordinates the action of Sub-Prefects within his or her Department.

Departments are in turn sub-divided into administrative districts called Arrondissements, each headed by a Sub-Prefect (Sous-prefet), who resides in the primary community (chef lieu) of the Arrondissement. The boundaries and primary community of an Arrondissement are defined by decree. Under the direct authority of the Prefect, the Sub-Prefect is charged with representing the Prime Minister and ministries of the central state in the rural communities within his or her Arrondissement. The Sub-Prefect must ensure the orderly functioning of his or her arrondissement in collaboration with its constituent village chiefs and Presidents of Rural Councils.

The Company’s operations (including explorations) are located in the Departments of Saraya and Bakel, and in the Arrondissements of Sabodala and Kenieba.
Table 2.1: Senegalese Regional Governance Structure

<table>
<thead>
<tr>
<th>REGION</th>
<th>DEPARTMENT</th>
<th>ARRONDISSEMENT</th>
<th>RURAL COMMUNITY</th>
<th>COMMUNE</th>
<th>VILLAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointed</td>
<td>Governor</td>
<td>Prefect</td>
<td>Sub-Prefect</td>
<td>N/A</td>
<td>Prefect</td>
</tr>
<tr>
<td>Elected</td>
<td>Regional Council / Regional Council President</td>
<td>N/A</td>
<td>N/A</td>
<td>Rural Council / Rural Council President</td>
<td>Municipal Council / Mayor</td>
</tr>
</tbody>
</table>

Table 2.2: Administrative Districts Within Teranga’s Area of Operations

<table>
<thead>
<tr>
<th>REGION</th>
<th>DEPARTMENT</th>
<th>ARRONDISSEMENT</th>
<th>RURAL COMMUNITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tambacounda</td>
<td>Bakel</td>
<td>Keniéba</td>
<td>Sadatou</td>
</tr>
<tr>
<td>Kédougou</td>
<td>Saraya</td>
<td>Sabodala</td>
<td>Sabodala, Khossanto, Missirah Sirimana</td>
</tr>
</tbody>
</table>

**Rural Communities** - Rural communities are composed of a number of villages sharing the same territory, which are united through proximity, common interest, and capability to find the resources necessary for their own development. The boundaries of rural communities are created by decree following consultation of the Regional Council. Rural communities are governed by a five-yearly elected Rural Council and President. The Rural Council deliberates on a number of matters relevant to land acquisition:

- allocation of land use rights within the rural community, conditional upon the landholder’s economically productive usage of the land;
- general land use planning, planning projects, land subdivision, authorization for the construction of housing or lodges;
- elaboration of a local development plan (Plan Local de Développement - PLD);
- allocation and re-allocation of national domain lands;
- creation, modification or closure of fairs and markets;
- acquisition of real estate and other assets;
- projects, plans, quotations and contracts for new constructions, renovations, major repairs and all other investments;
- designation, re-designation, alignment, lengthening, widening or closure of roads and public places as well as the establishment improvement, maintenance of rural roads and tracks;
- rights of way and other common lands; and
- creation, closure or enlargement of cemeteries.
Rural Council deliberations in these matters are binding, but must be submitted for approval by the Sub-Prefect.

The councils provide an opinion on all development projects within rural community lands, as well as the system of collective fallows, including their clearance and burning.

The Company’s operations (including explorations) are located in the Rural Communities of Sabodala, Missira Sirimana, Khossanto and Sadatou.

**Villages** – Rural communities are comprised of a number of different villages. Village are headed by a Chief and Council of Elders. The Chief is responsible for all formal relations with government authorities and with other villages, and for appointing other village officials. He also plays a role in local dispute resolution. Chiefs obtain their legitimacy through hereditary title. Should the residents of a given village lose confidence in their chief, residents may request an election, organized and monitored by the Sub-Prefect, in which household heads vote for a new village Chief.

The Council of Elders is a traditional organisation responsible for resolving disputes of all types within the village and advising the Chief. These positions are often hereditary and occupied by the eldest males from founding families. The role of the elders has been altered by new positions introduced by the government, reducing their role to one of guardians of traditional knowledge. Primarily they are now responsible for organising ceremonies for marriages, births and deaths, and maintaining friendly relations with the spirit world.

### 2.3 Senegalese Legislative Framework

#### 2.3.1 Constitution of the Republic of Senegal (2001)

The Constitution of the Republic of Senegal was adopted in 2001 and is the fourth since 1959. The Constitution defines the political and administrative organization of the State and assigns the roles and responsibilities of the executive, legislative and judicial branches. Constitutional rights and norms relevant to this document include the right to private property (Article 8), expropriation in the case of public necessity legally ascertained and subject to fair and prior compensation (Article 15), and equal rights to property for men and women (Article 15).

#### 2.3.2 Mining Code (2003)

The Mining Code establishes the general parameters for mining projects in Senegal. Sections of the code that are of relevance to land acquisition and occupation include:

- Article 73 - subject to applicable Senegalese legislation, the holding of a mining title confers a right of occupation within the entire Territory of the Republic of Senegal both inside and outside the mining title perimeter. This right of occupation includes the right to occupy lands necessary to mining activities and related facilities or infrastructures, to fell timber, to use and manage surface waters, and to perform auxiliary activities including transportation and emergency works.
• Article 74 – the occupation of lands for the activities in Article 73 must be State approved
• Article 75 – if the duration of occupation does not exceed 1 year outside the mining title perimeter, authorization for occupation is granted by the Minister of Mines and the Minister of Domain. If the duration of occupation is for more than 1 year, the authorization is granted by Presidential decree.
• Article 76 – the occupation of lands by the holder of a mining title gives right to the occupant of the lands to compensation for all losses suffered. The expenses, compensation and in general all charges relative to land occupation are to be borne by the mining title holder.
• Article 81 – any holder of a mining title is obliged to compensate any legal entity for material damages and loss caused by it.

2.3.3 Mining Code Application Decree (2005)

The Mining Code Application Decree, No. 2004-647 sets out the application procedures for the Mining Code. Sections of the code that are of relevance to land acquisition and occupation include:

• Article 86 – each occupation of lands, temporary or permanent, located inside a mining title must be the subject of the prior declaration and application for authorisation of land which must be authorized by the Minister of Mines (under article 88).
• Article 89 – an administrative order for occupation is given after inspection of the site and in light of the opinion of the Director of Mines and Geology. The administrative order entitles the owners or occupants of the site to compensation for proven material losses.
• Article 91 – any occupation of lands dealt with in Article 86, may be declared as in the public interest under the same conditions and in accordance with the same rules as expropriations in the public interest.
• Article 92 - all mining title holders must duly compensate the appropriate party, such as the land owner or the state, for any loss or damages caused by compulsory acquisition resulting from mining activities being carried out on their land by either the mining company or any contractors working on the mining company’s behalf.
• Article 93 – compensation is required for two types of land:

For registered land, agreement is struck between the mining title holder and the land owner.

For public land, an agreement is struck between the mining title holder and the local government concerned, or in the absence of such an agreement, by a commission comprised of: the Prefect of the Department concerned; the regional Mines Service; the regional Water Resources and Forestry Service; the Agricultural Service; the regional Land Titles Office; the regional State Lands Department; the Department for the Environment; local government concerned; and the mining titleholder.

If for whatever reason, in six months following the date on which the decree or the administrative order came into force authorizing the occupation of the lands, an agreement has not been reached between the holder of the mining title and holders of the land rights or the rural communities concerned, the beneficiary of the authorisation for occupation shall be
authorised by the Minister for Mines to occupy the concerned lands in exchange for the deposit into the account of a public accountant of provisional compensation.

2.3.4 Mining Convention Agreement (2005)

The Mining Convention Agreement for the Sabodala Gold Mine was formally decreed in June 2005. Under the terms of this convention:

- Article 26.3 - guarantees the Company access, occupation and use of all lands, inside and outside the area, necessary for the exploration and mining works.
- Article 26.5 - states that at the request of the Company, the State will proceed with the relocation of residents whose presence on the land impedes the mining works.
- Article 26.6 - requires the Company to pay an equitable indemnity to the said residents as well as for all other losses, privations of use or damages that result from its activities.
- Article 26.7 - in the absence of an amicable settlement, the State agrees to undertake as action for public expropriation on behalf of the Company.

2.3.5 Land Tenure and Transactions

Senegal’s land is classified as either within the national or the private domain. Land in the national domain includes non-transferable public land (domaine public) and transferable state land (domaine nationale). Land in the private domain is land held by individuals or entities under registered title documents.

Senegal’s national domain lands are subdivided into four categories:

1. urban zones (zones urbaines): urban areas or commune lands;
2. classified zones (zones classes): land that is governed by specific statutes, such as classified forests, national parks, and other government protected areas;
3. territorial lands (zones de terroir): lands that were regularly used, at the date of publication of the 1964 law 64-46 on national domain, for agriculture, pasture, and rural settlement, and non-classified forests; or
4. pioneer zones (zones pionnières): all remaining land.

All land within the company’s mining titles falls within the designation of territorial lands.

According to the 1964 law 64-46 on national domain, the state owns all lands in the national domain to ensure their rational and productive use in conformity with its land use and development plans.

Territorial lands are managed under the authority of the state, by a Rural Council and Council President. The decree for application - law no. 64-573 of this law sets the conditions by which territorial land is allocated. Under this decree, the rural council has the power to allocate and re-allocate lands conditional on the productive use of those lands. Lands are allocated to residents of rural communities following deliberation by the Rural Council and approval of the deliberation by the Sub-Prefect, this includes agricultural lands, grazing lands, and land subdivision for habitation. Under article 18, those persons who personally occupied and used national domain lands prior to the passing of law no. 64-573 will continue to use and occupy them.
Land is allocated directly to an individual or collective. Allocated land cannot be transferred. Allocation takes place for an undetermined period of time and confers usage rights on the user of the lands in question. Land allocation ends at the death of the physical person or at the dissolution of the collective to which the land has been allocated (Article 20). However, lands may also be inherited by the heirs of the deceased, within the limits of their operating capacity, and providing that the subdivision of the land does not result in the creation of economically unviable parcels (Article 22).

Under Article 20, land can be re-allocated or decommissioned at any time – at the request of the assignee, or automatically, one year following the provision of notice for any of a number of reasons:

- insufficiency of productive uses;
- the resident has ceased to reside or to personally assure the productive use of the land;
- the Rural Council decides, under the approval authority of the Governor, that the public interest demands an alternate allocation (in this instance the assignee of the parcel in question must receive an equivalent parcel as compensation); or
- through a deliberation adopted by a three-quarters majority of its members and approved by decree, the Rural Council decides on a general revision to land allocations to respond to changing demographic, cultural or economic conditions.

If reallocation of land occurs, the new land holder must pay the previous landholder compensation equal to the value of built improvements and planted crops estimated on the day that the new allocation is pronounced (Article 23).

New members of the rural community can be allocated land not previously allocated, or re-allocated lands by paying a rural levy, and the compensation outlined in Article 23 (Article 21). Finally, under Article 19 of law 76-66 on the National Domain Code, land can be transferred out of the national domain, into the private domain.

Despite formally being a part of Senegal’s territorial zones, the national domain lands in use by the villages in SGO’s area of influence are almost entirely un-allocated by the rural council. A lack of resources and capacity means that rural councils are not able to comprehensively allocate lands, but must do so by demand, on a case-by-case basis. While rural councils recognize traditional uses as a criterion for allocating lands, the lack of a formally documented land allocation implies a certain degree of insecurity of land tenure. In general, all company land acquisitions – including the provision of in-kind compensation - are undertaken through the rural council land allocation process, with an aim to regularize and provide greater security of tenure to affected parties.

2.3.5 Expropriation

The 2001 constitution guarantees citizens the right of property, protecting it from infringement except in cases of public necessity. Government expropriation of land requires a showing of public necessity and payment of just compensation, which includes actual cost and earned value. Decree No. 77-563 of 3 July 1997 outlines the expropriation procedure under which the state can expropriate land for public utility and subject to fair and prior compensation. The law provides for establishment of a Conciliation Commission that is responsible for determining fair
compensation. If the parties are unable to agree on an amount, an expropriation judge delivers a ruling. Either party can request the services of an evaluation expert, but once the expropriation judge rules, only limited grounds for appeal exist. Separate laws provide streamlined procedures for certain land expropriations, such as land-takings for regularization and upgrading of informal settlements.

2.3.6 Artisanal Mining

Mineral resources in Senegal are the property of the Republic of Senegal. The holders of mining titles acquire property rights to the mineral substances that they extract. Under Article 6 of the mining convention, no one can undertake a mining activity without previously holding a mining title. The un-titled artisanal mining currently practiced on Teranga’s license areas is therefore in direct contravention of Senegalese law.

Under the 2003 Mining Code it is possible for a physical or moral person who wishes to undertake small scale or artisanal mining to obtain a mining title for those purposes. The Mining Code distinguishes between artisanal exploitation and small mine exploitation.

**Artisanal Exploitation Authorization (AEA)** confers upon the beneficiary the right to exploit mineral resources to a depth of 15 metres, using not much mechanized methods and processes, in a defined area not exceeding 50 hectares.

**Small Mine Exploitation Authorization (SMEA)** confers upon the beneficiary the right to exploit mineral resources to an unlimited depth, using semi-industrial processes and methods, in a defined area not exceeding 5 square kilometers.

According to Article 34, the zones within which these permits can be granted are defined by decree by the Minister of mines. However, neither the area, nor the rights of the previous mine title holders can be affected. Holders of both types of Authorization are required to exercise their rights rationally and optimally in respect of the laws pertaining to security, hygiene and environmental preservation. They are required to ensure the rehabilitation of sites following cessation of mining activities.

2.4 Corporate Principles and Standards

2.4.1 General Commitment

The Company is committed to making a positive difference in the communities in which it works, and it endorses the definition of Corporate Social Responsibility as proposed by the World Bank:

“Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development - working with employees, their families, the local community and society at large to improve the quality of life, in ways that are good for business and good for development.”

In 2011, the Company produced its first Annual Corporate Social Responsibility Report. The report articulates the Company’s Corporate Social Responsibility strategy and identifies key
achievements, including its ongoing commitment to developing a 20 to 30 year Development Strategy for the region in which it operates.

The Company divides its basic corporate responsibilities into the following areas: Community Relations (see below), Health and Safety, Environment, Competency and Quality Management, and Security and Emergency Management.

2.4.2 Community Relations

The Company shares the benefits of mining with its employees and the community and contributes to economic and social development. In so doing, the Company is guided by the following principles and standards:

- build trusting relationships by engaging clearly, openly and honestly with our host communities, governments and other key stakeholders;
- understand, promote and uphold fundamental human rights within our sphere of influence, respecting traditional rights and cultural heritage;
- create access to an effective grievance mechanism that can facilitate early indication of, and prompt remediation of grievances;
- undertake social impact assessment early in the mine development process to inform our operation’s social development plan;
- minimize the adverse social and economic impacts from land acquisition or restrictions on land use, and to improve or restore the livelihoods and standards of living for those adversely impacted by mine development; and
- support women to realize their economic potential through proactive gender-based initiatives.

The Company is an active member of the West African task force for Corporate Social Responsibility and aims to develop a complete social management system commensurate with ISO 26000 by late 2012.

2.5 Comparison of International and National Standards

The Company has identified the major points of divergence between Senegalese and international standards as related to land acquisition (see Table 2.3), with the goal of identifying the specific measures required to meet international standards (see Table 2.4).
### Table 2.3: Comparison of National and International Standards

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SENEGALESE LEGISLATION</th>
<th>INTERNATIONAL BEST PRACTICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expropriation</td>
<td>Government expropriation of land requires demonstration of public necessity and payment of just compensation, which includes actual cost and earned value. Decree No. 77-563 of 3 July 1977 outlines the expropriation procedure under which the state can expropriate land for public utility and subject to fair and prior compensation.</td>
<td>Encourages the use of negotiated settlements to avoid expropriation and eliminate the need to use governmental authority to enforce relocation. Expropriation only if affected persons reject compensation that meets the requirements of PSS.</td>
</tr>
<tr>
<td>Living standards</td>
<td>The Constitution guarantees families in general, and particularly those living in rural areas, notably women, the right to the improvement in their living conditions, access to healthcare and well being.</td>
<td>PSS seeks to improve or at least restore the livelihoods and standards of living of displaced persons; and to improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.</td>
</tr>
<tr>
<td>Consultation</td>
<td>The Mining Code requires that the mining title holder consult with the concerned local government. Environment Code ESIA process provides requirements for informing, and consulting formal public audiences which inform the decision-making process. Under Law 76-67 of 2 July 1976, the prerequisite declaration of public utility for expropriations is preceded by a study which is publicly announced and into which all stakeholders may contribute. Stakeholders and expropriator seek to reach agreement on compensation under the direction of a conciliation commission.</td>
<td>Requires that livelihood restoration / resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected. Consultation processes should ensure that the perspectives and interests of women and other vulnerable groups are adequately considered. Requires the establishment of a grievance mechanism for managing concerns in a timely fashion. All livelihood restoration and resettlement planning, implementation, monitoring and evaluation must take place with the full, informed participation of PAPs. Negotiations between client and PAPs lead to negotiated settlements rather than expropriation.</td>
</tr>
<tr>
<td>Livelihoods</td>
<td>Focus of expropriation, mining and environmental legislation is on fair compensation for displaced assets. Restoration of livelihoods not considered.</td>
<td>Project impacts on livelihoods are the central focus of PSS. Compensation for loss of assets at full replacement cost and other assistance to improve or at least restore standards of living and livelihoods are required. Monitoring of livelihood restoration is required.</td>
</tr>
<tr>
<td>Vulnerable groups</td>
<td>Senegalese constitution reinforces the right of women to the improvement in their living conditions, access to healthcare and well being. Article 10 of Law 76-67 of 2 July 1976 specifies that if the assets of minors or other people who for any reason cannot participate in the tribunal for deciding compensation in the absence of an amicable settlement, a representative can be named to participate on their behalf.</td>
<td>PSS requires paying particular attention to the impacts on the poor and vulnerable. Under GNS, persons identified as vulnerable should be assisted to fully participate in the planning process, to understand their options for resettlement and compensation, and encouraged to choose those with the lowest risk. Care must be taken to ensure that these groups are left better off.</td>
</tr>
<tr>
<td>Grievances</td>
<td>Under conditions of re-allocation of national domain lands envisioned in Article 20 of Decree No 64-573 of 30 July 1964, the Rural Council must debate and decide upon re-allocation of occupied lands. However, citizens may not participate directly in council meetings. Under conditions of expropriation, following the declaration of public interest, a conciliation commission is struck to broker an amicable settlement. In the event that the parties are</td>
<td>The establishment of a grievance mechanism consistent with PS1 is a key requirement of PSS. The mechanism should seek to resolve concerns promptly, using an understandable and transparent process that is culturally appropriate, readily accessible, at no cost to the party that originated the concern, and does not impede access to judicial or administrative remedies.</td>
</tr>
<tr>
<td>TOPIC</td>
<td>SENEGALESE LEGISLATION</td>
<td>INTERNATIONAL BEST PRACTICE</td>
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<tr>
<td>Eligibility</td>
<td>Under Article 93 of the Mining Code, owners or occupants of lands to be occupied are eligible for compensation for proven material losses. Decree 91-938 of 22 August 1991 modifies article 38 of decree 64-573 of 30 July 1964 and requires all occupants, even illegal occupants, being displaced to be compensated. Article 9 of Law 76-67 of 2 July 1976 refers to ‘those concerned’ as eligible parties. Under Article 34, all constructions, improvements, crops and plantings realized and used by the title holder are eligible. Movable goods or crops which remain harvestable are not eligible for compensation. Under Decree 64-573 of 30 July 1964 the cut-off date is established on the date that the new land allocation is pronounced.</td>
<td>A census is carried out to collect appropriate socio-economic baseline data to identify the persons who will be displaced by the project, and determine who will be eligible for compensation and assistance. All parties with and without a legal claim to the property or assets displaced are eligible for compensation.</td>
</tr>
<tr>
<td>Entitlements</td>
<td>Under Article 20 of Decree No 64-573 of 30 July 1964, it is possible to re-allocate occupied lands within the national domain, provided that equivalent in-kind compensation is provided. According to Law 76-67 of 2 July 1976 under conditions of expropriation, in-cash payment is the only entitlement envisioned.</td>
<td>Payment of in-kind compensation is generally preferred over in-cash compensation. Compensation for loss of assets is provided at replacement cost and with the goal of improving or at least restoring the livelihoods and standards of living of displaced persons. For physically displaced persons, compensation must improve living conditions through the provision of adequate housing with security of tenure at resettlement sites.</td>
</tr>
<tr>
<td>Gender and Eligibility/Entitlements</td>
<td>Senegalese constitution gives men and women equal rights to gain possession of and own land subject to conditions determined by the law. No specific mention of women in laws concerning allocation / reallocation of national domain lands or expropriation.</td>
<td>PSS requires that women’s perspectives are obtained and their interests factored into all aspects of resettlement planning and implementation. Addressing livelihood impacts may require intra-household analysis in cases where women’s and men’s livelihoods are affected differently. Women’s and men’s preferences in terms of compensation mechanisms should be explored. Documentation of ownership or occupancy and compensation arrangements should be issued in the names of both spouses or heads of households, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.</td>
</tr>
<tr>
<td>Crop Compensation</td>
<td>Article 23 of Decree No 64-573 of 30 July 1964 requires that, in the event of a land re-allocation, the new assignee must pay the former assignee compensation for the value of pending crops at the value on the date of pronouncement of the new land allocation. Under Article 25, the amount of compensation is determined by agreement between the parties, and where this fails, by the Rural Council. All constructions, improvements, crops and plantings realized by the title holder must be compensated (Under Law 76-67 of 2 July 1976)</td>
<td>Crops will be compensated at full replacement cost. Economically displaced persons who are without legally recognizable claims to land will be entitled to compensation at full replacement cost for lost crops.</td>
</tr>
<tr>
<td>TOPIC</td>
<td>SENEGALESE LEGISLATION</td>
<td>INTERNATIONAL BEST PRACTICE</td>
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</tr>
<tr>
<td>Compensation of Communal resources</td>
<td>Communal land and infrastructure belongs to the State. Under Decree No 64-573 of 30 July 1964, the assignee (in this case the rural community) who has had land re-assigned receives an equivalent amount of in-kind compensation. Under Law 76-67 of 2 July 1976, all owners and holders of titles and real rights and property rights may be compensated.</td>
<td>The provisions of PS5 apply to communities and individuals. Communities will be offered compensation for loss of assets at full replacement costs and other assistance to help improve or restore standards of living or livelihoods.</td>
</tr>
<tr>
<td>Timing of Compensation</td>
<td>No timing provided in Decree No. 64-573 of 30 July 1964.</td>
<td>The client will take possession of land and related assets only after compensation has been made available and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons in addition to compensation.</td>
</tr>
<tr>
<td>Resettlement assistance</td>
<td>Not included in Senegalese legislation</td>
<td>Relocation assistance will be provided to people who are physically displaced by a project. Assistance may include transportation, food, shelter, and/or social services that are provided to affected people during the relocation to their new site. Additional measures, such as the provision of emergency health care, should be designed for vulnerable groups during physical relocation, particularly pregnant women, children, the elderly, and the handicapped. Assistance may also include cash allowances. Relocation assistance will be suited to the needs of each group of displaced persons.</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>Not included in Senegalese legislation</td>
<td>Monitoring and evaluation must form a component of all livelihood restoration and resettlement action plans. The monitoring program must pay particular attention to those who are poor and vulnerable so as to track their standards of living and effectiveness of resettlement compensation, assistance, and livelihood restoration. Attention must be given to gender-differentiated consequences on nutrition and health status, particularly of children. The client and the responsible agency should agree to an appropriate allocation of responsibilities with respect to completion audits and corrective actions.</td>
</tr>
</tbody>
</table>
Table 2.4: Measures Required to Meet International Standards

<table>
<thead>
<tr>
<th>INTERNATIONAL BEST PRACTICE</th>
<th>TERANGA COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare a Resettlement Action Plan for all physical displacements and a Livelihood Restoration Plan for all economic displacements (i.e. not physical).</td>
<td>Teranga will prepare a Livelihood Restoration Plan or Resettlement Action Plan in accordance with the international standards described above.</td>
</tr>
<tr>
<td>Avoid or at least minimize resettlement.</td>
<td>Teranga will carefully study technical alternatives and take steps during Project design to reduce physical and economic displacement to a minimum. Teranga will work closely with PAPs and their representatives to present and fully explain the proposed design.</td>
</tr>
<tr>
<td>Compensate at full replacement cost.</td>
<td>Teranga will compensate for all affected immoveable assets at full replacement cost.</td>
</tr>
<tr>
<td>Improve or at least restore livelihoods of affected population.</td>
<td>Teranga will prepare Livelihood and Community Development Programs consistent with Section 8 of this document. These programs will be coordinated with Teranga’s Social Fund Plan for the optimization of synergies and resources where possible.</td>
</tr>
<tr>
<td>Improve living conditions among displaced persons.</td>
<td>Teranga commits to providing opportunities for the improvement of the quality of life and living conditions of displaced persons as part of the resettlement process. Once resettlement is fully implemented, further opportunities may be provided through Teranga’s broader community development activities.</td>
</tr>
<tr>
<td>Absence of legal title not a barrier to compensation.</td>
<td>All land users, including those without legal title, enumerated in the surveys at the time of the established cut-off date will be entitled to compensation for eligible impacts, including loss of crops, structures and livelihoods.</td>
</tr>
<tr>
<td>Include special measures to allow disadvantaged groups to participate meaningfully in the resettlement planning process, to access resettlement assistance, and to benefit from Project development opportunities.</td>
<td>Teranga will identify groups and individuals who may be more particularly affected by physical and economic displacement. Comprehensive assistance measures to vulnerable persons will be elaborated as part of a Vulnerables Assistance Program, as described in Section 9.</td>
</tr>
<tr>
<td>Ensure affected communities are appropriately engaged in the design and implementation of resettlement activities.</td>
<td>Teranga will engage proactively with all those displaced, or otherwise affected by land acquisition, using a variety of culturally appropriate engagement techniques.</td>
</tr>
<tr>
<td>Integrate women’s perspectives and interests into all aspects of resettlement planning and implementation. Ownership or occupancy and compensation arrangements should be issued in the names of both spouses or heads of households.</td>
<td>Teranga commits to investigating culturally appropriate means of integrating women’s perspectives and interests into livelihood restoration and resettlement planning. Teranga will consult with affected persons to determine appropriate measures for ensuring men and women are equally considered for eligibility and entitlements.</td>
</tr>
</tbody>
</table>
Section 3: Existing Conditions

This section summarizes existing socio-economic conditions in Senegal and the Company’s zone of operations.

3.1 National Conditions

The Republic of Senegal is located on the coast of West Africa bordering Mauritania on the north, Mali on the east and Guinea-Bissau and Guinea in the South. The country covers an area of 196,190 km² with an estimated population of 12 million inhabitants (2002 census).

Sabodala Gold Operation
Of the country’s population, 94% are Muslim and 5% are Christian (mostly Roman Catholic). French is the official language, but a number of languages, including Wolof, Pulaar, Jola and Mandinka, are widely spoken. The capital, Dakar, is on the most westerly point of the coastline of Africa.

Senegal gained its independence in 1960, following about 75 years of French rule. It is a stable democratic republic governed under multiparty rule based on the French civil law system. The country serves as the West African headquarters of many foreign embassies and international banks.

Senegal lies within the Sahel, the savannah region that forms a broad band across Africa between the Sahara Desert to the north and the forested countries to the south. The landscape is generally low, rolling plains rising to hills in the southeast, where the Company’s activities are situated. The climate is tropical, with a hot and humid wet season (May-October) and a dry season (November-April) dominated by hot Harmattan winds.

The estimated 2009 GDP breakdown by sector is: agriculture 15.9%; industry 21.7% (of which the mining and minerals industry contributes approximately 20%) and services 62.4%. Foreign exchange is largely derived from the mining and minerals industry and tourism. Notwithstanding its relatively small size, the agricultural sector supports over three quarters of the labour force.

3.2 Regional Conditions

The Company’s operations are located roughly 650 km east of the capital city, Dakar, in the Regions of Tambacoumba and Kedougou. The landscape of the area is characterised by flat plains and gently rolling foothills intersected by alluvial valleys. The Sabodala Mine is situated within the Farako River watershed, which drains into the Niokolo Koba River, before flowing through the Niokolo Koba National Park to the west. The Company’s exploration zones to the east are situated within a number of watersheds which flow east to the Faleme River. Dominant vegetation types include savannas and forests, and soils are sandy, argillaceous and lateritic.

The town of Kedougou is the closest urban community and largest in the region (population est. 25,000), and there are over 40 villages in the Company’s area of influence. These settlements are typically small, ranging in size up to a few thousand inhabitants, compact, and connected by poorly maintained dirt tracks and footpaths.

Communities are organised around extended families. An extended family typically resides in a common compound (concession) and is represented by a chief (chef de concession), who is usually the eldest male. A concession will contain one or more households (ménages), which typically comprise a man (chef de ménage), one or more wives, and their children, who reside in a set of residential buildings and use a single kitchen. Average household size is approximately 8 persons. Resource pooling occurs at the household level, but sharing within members of the same family in the concession is also common.

The vast majority of people in the Company’s area of operations identify themselves as either Malinké or Peul. A much smaller number identify themselves as Bassari, Diakhanké, Dialonké,
Maures, Mandinka, Bambara, Ouolof and Soninké. Regardless of ethnicity, people share a common livelihood, culture and religion, and face comparable economic, social, legal and political challenges. None are distinct from mainstream society and none are disadvantaged in the development process as a result of their identity. [Note that the Bassari people, as with the Bedik and other Tenda sub-groups, have various cultural, social and religious differences with the Malinké and Peul people among whom they live and might warrant specific cultural and linguistic preservation measures if impacted by the Company’s operations.] An increase in artisanal mining activity in the region has attracted an influx, in recent years, of undocumented immigrants from Mali, Guinea, Burkina Faso, Ghana and other West African nations. Exact numbers are unknown, but estimates range from 10,000 to 20,000 within the Company’s permit area.

Livelihoods are largely land-based, with households practicing a combination of rotational agriculture, pastoralism and forest product extraction. Customary ownership and use of land predominates, and land use and tenure is normally overseen by the village chief, who is nominated by community elders and responsible for coordinating village administration and decision-making. Within the customary land tenure system, agricultural land (including fallow land) is held by individual households; other rural lands are communal. Unreliable rainfall and a lack of availability of surface and ground water are major constraints to land-based livelihood development. There are few wage- or enterprise-based livelihoods available, other than government employment, mining-related employment, and a limited number of small-scale stores, bars, and restaurants.

In general, the traditional farming system of the project area is called the African bush-fallow system. Bush fallowing is a system, practiced in the semi-arid savannas where water is limited, in which land is brought into cultivation for a period of around five years, during which soil fertility declines, and it is then left to fallow for five to ten years to restore fertility before being brought back into production.

Cash income is largely generated through artisanal small scale mining, which is practiced widely, and small commercial activities. Households are highly vulnerable to food shortages in the dry season (food purchases make up their largest cash expenditure), and are generally impoverished relative to Senegalese standards. Education infrastructure and attainment is limited. There are French language primary schools in most villages, but they often lack quality teaching resources. Literacy levels are low among adult men, and even lower among adult women. Health infrastructure is similarly limited, with very few public medical facilities available. Common health issues include malaria, pulmonary diseases, dermatological infections and sexually transmitted infections. There is a low incidence of HIV / AIDS.

Key social development constraints include the limited access to primary health care, education and potable water.
Section 4: Impacts of Land Acquisition

The Company will avoid the acquisition of lands or land use rights that result in any physical or economic displacement. If unavoidable, the Company will minimize the resulting scope of displacement as much as possible, including the scope of:

- physical displacement, meaning the loss of people’s residences; and
- economic displacement, meaning the loss of assets that leads in turn to loss of means of livelihood.

Central to both types of displacement are the immoveable assets that could be impacted by land acquisition and the livelihoods that depend, either directly or indirectly, on those assets.

4.1 Potentially Affected Immoveable Assets

**Settlement Lands** – Settlement Lands comprise Residential Compounds, Institutional Compounds, Commercial Compounds, Communal Lands, and Other Residential Lands. Residential Compounds (Concessions) are clearly demarcated, fenced areas held by the Chef de Concession or head of family. The head of family typically also serves as head of a particular household, given that a compound can comprise one or more households. Compounds include residential buildings, annex buildings (e.g., kitchens), gardens and trees, and infrastructure (e.g., wells).

Institutional Compounds are held by local authorities for community facilities, including schools, health posts, government offices and mosques. Compounds can also include annex buildings and infrastructure.

Commercial Compounds are held by private individuals for commercial uses, including stores, bars, and restaurants. They can also include annex buildings and infrastructure.

Communal Areas interlink the compounds and the rural areas surrounding the village, and serve a variety of communal uses, including access, gathering spaces, and play spaces. They can include infrastructure, such as wells.

Other Residential Lands are those areas that have been informally settled, outside of formally demarcated compounds.

**Rural Lands** – Rural Lands comprise Agricultural Lands and Resource Lands. Agricultural Lands are typically privately held, usually by the heads of household, and consist of a mix of actively cropped fields and fallows of varying ages. Customary ownership is established by clearing an area of land for agricultural purposes; thereafter, the head of household can grant use rights or ownership rights to others, typically his sons.

Resource Lands comprise a mix of forested and savannah areas, which are available for communal use, including grazing animals, forest (timber and non-timber) product extraction, hunting and fishing, etc. These lands are commonly held and managed resources, and are often
Livelihood Restoration and Resettlement Policy

shared by households from a number of different villages. Note that hunting and fishing are technically illegal, although common, in much of the Company’s area of operations, given its designation as a Zone d’Interet Cynergetique.

**Artisanal Mining Lands** – Artisanal mining lands are lands where artisanal mining activity occurs. This can be infrequent mining activity, often to augment incomes during the dry season or during poor harvest years, or more formalized and intensive artisanal mining activity. The lands are typically under customary “ownership”, and may or may not exist with the formal blessing of the village authorities.


Residential Buildings are typically round, one-room, mud-brick buildings with a packed earth floor and thatched roofs (“traditional”). Residential Buildings may also be constructed from more modern materials (i.e., concrete blocks, poured concrete floor and sheet metal roofing). A cluster of Residential Buildings associated with one household is called a *Menage*. Each *Menage* has an outdoor, covered kitchen and various other annex buildings. There is at least one *Menage* associated with each *Concession*.

Commercial Buildings include small, purpose-built structures built using traditional materials or more modern materials (see Residential Buildings above). These buildings are typically only found in larger settlements.

Community Facilities include Primary Schools, Kindergartens, Health Posts, Local Government Offices and Mosques. These are typically constructed with concrete blocks, with a poured concrete floor and sheet metal roofing. These buildings are typically only found in larger settlements.

Annex Buildings can be associated with settlement lands and rural lands, serve a variety of uses, and are built with a wide range of construction materials. Common annex buildings include kitchens, storage structures, temporary shelters, and barns.

Artisinal Mining Works include structures built for the sole purpose of supporting artisanal mining activity. They include temporary shelters, mining shafts, and pulley systems.

Fences and Other Built Improvements – Fences are widespread in settlement areas and to a lesser degree in rural areas, and are built in a wide variety of ways. Other Built Improvements include bridges and soccer pitches.

Water and Sanitary infrastructure – Infrastructure can be either communal or private. Communal infrastructure consists largely of communal wells. Private infrastructure comprises private wells and rudimentary pit latrines.

**Businesses** – Businesses are enterprises that sell goods or services. They may be place-based, which means that they are tied to a particular physical location, typically with a built structure. Examples include stores, bars and restaurants. Businesses may also be non-place based, which
means they have no fixed location. Often these are sole-practitioner enterprises. Examples of such businesses may include laundry services, delivery or transportation services, and professional services.

**Gardens, Crops and Trees** – Vegetable gardens can be either private (i.e., located in Concessions or on private plots in communal areas) or communal (i.e., located in communal areas and typically run by a cooperative). Common vegetables include okra, cassava, cow peas, lettuce, tomatoes, and onions.

Crops are privately owned and cultivated, and grown largely on Agricultural Lands. Common crops include millet, corn, groundnut and cotton. Sharecropping is occasionally practiced.

Planted trees can grow in Settlement Lands and Rural Lands, and include fruit trees (mango, guava, orange) and other valuable species (e.g., for timber).

**Access** – Roads include formal roads, which have been built and are in principle maintained by government authorities, and informal roads, created by community members and largely unmaintained. Access also includes informal footpaths, again created by community members.

**Cultural Heritage** – Cultural Heritage includes cemeteries, historic sites and spiritual sites. Spiritual Sites are typically associated with prominent landscape features, including rock outcrops, significant trees, water holes, and wells, which are thought to contain spirits, often with potent powers.

### 4.2 Potential Impacts on Livelihoods

Any impact on the immoveable assets presented above will affect livelihoods that depend, either directly or indirectly, on those assets. Impacts on livelihoods therefore comprise the loss of one or more of the following:

- Agricultural Lands, which includes loss of actively cropped fields and fallowed fields;
- Resource Lands, which includes loss of grazing lands, forest products (timber and non-timber), and hunting / fishing areas;
- Artisanal Mining Lands, which includes loss of access to artisanal mining sites;
- Residences, which includes loss of related compounds, structures, and infrastructure;
- Community Facilities, which includes loss of related compounds, structures, and infrastructure;
- Commercial Buildings, which includes loss of related compounds, structures and infrastructure;
- Businesses, which includes loss of income;
- Employment, which includes loss of wage-work opportunities associated with any of the above;
- Communal Areas and Infrastructure;
- Gardens, Crops and Trees in Settlement Areas and Rural Areas;
- Access; and
- Cultural Heritage.
The above impacts represent significant potential risks for those affected, including many of the following typical risks associated with displacement: landlessness, joblessness, homelessness, marginalization, food insecurity, increased morbidity and mortality, loss of access to common property and services, and social disarticulation.
Section 5: Approach to Land Acquisition

The Company commits to fairly and transparently managing any physical or economic displacement caused by its projects through carefully planned and implemented land acquisition programs. Such programs may be either Livelihood Restoration Programs or Resettlement Programs, depending on the specific scope of displacement. Regardless, all such programs will meet or exceed the following:

1. Legal and regulatory requirements of the Government of the Republic of Senegal;
2. International standards, as defined by the IFC’s Performance Standards; and,
3. Corporate policies, including this Livelihood Restoration and Resettlement Policy.

5.1 Principles

The Company’s approach will be guided by the following principles:

1. Minimize the scope of displacement to the greatest extent possible.
2. Treat land acquisition as a sustainable community development program, through which the livelihoods and quality of life of those displaced are improved.
3. Engage with those affected in a manner that is inclusive, culturally appropriate, and tailored to the language preferences and decision-making processes of those affected.
4. Create and maintain constructive relationships with those affected, based on mutual understanding, respect and trust.
5. Undertake collective, good faith negotiations with those affected to define the terms and conditions that will guide land acquisition.
6. Inform Project Affected Persons of their legal rights in advance of negotiations to prevent an imbalance of information.
7. Document the outcome of the negotiations process in a comprehensive plan (i.e., Livelihood Restoration Plan or Resettlement Action Plan), which is in turn publicly disclosed and finalized thereafter.
8. Undertake individual, good faith negotiations with those affected on the basis of the general terms and conditions defined in the Livelihood Restoration or Resettlement Action Plan.
9. Do not occupy land on either a temporary or permanent basis until all displacement impacts have been identified and compensated in full.
10. Facilitate the informed participation of those affected and work towards achievement of free, prior and informed consent to and broad community support for the land acquisition process.
11. Ensure access to an understandable, transparent and effective grievance management system to receive and address specific concerns raised by those affected.
12. Identify and assist those most vulnerable to displacement impacts to fully participate and share equally in the benefits of land acquisition.
13. Mitigate impacts of land acquisition by providing fair and timely compensation entitlements for loss of assets at full replacement value, either in-kind or in cash.
14. Rely on the expropriation powers of the State only as a last resort, after making reasonable and good faith efforts to reach a negotiated settlement with those affected.
15. Acquire the lands necessary for the development of a project in accordance with the project’s development schedule.
16. Continue to support and monitor those affected following their displacement to ensure their sustainable re-establishment with improved livelihoods and quality of life.

5.2 Approach

5.2.1 Project Negotiation Forum(s)

The Company will adopt a negotiations-based approach for all land acquisition processes. Central to this approach will be the mobilization and ongoing management of a Project Negotiations Forum (PNF) that serves as the key decision-making forum for the planning and implementation of the land acquisition program. The PNF complements and reinforces the statutory ESIA process. The PNF works to advance collective livelihood restoration / resettlement planning and is directly linked to the regional ESIA technical committee through the participation of members of the regional ESIA technical committee.

Specific characteristics and objectives of the PNF will depend on the scope and scale of displacement impacts, as well as the preferences and needs of those affected. In general, however, the PNF will generally include the following:

- Chairperson, who is a respected, neutral person, acceptable to both the Company and those displaced, and responsible for facilitating the negotiations process (e.g., convene meetings, manage agendas, keep minutes, mediate discussion, track decisions);
- Company Negotiator(s), who is a senior manager, understands land acquisition and community development issues, can speak and act on behalf of the Company, and can make commitments at the negotiation table;
- Community Negotiators, namely those affected or duly appointed broad-based representatives thereof, potentially assisted by third party advisors that are acceptable to those to be displaced and to the Company;
- Government Representatives, who play two functions –
  - provide neutral technical advice to the negotiating parties and ensure that all Senegalese requirements are met;
  - represent the authority of the State; and
  - represent the regional technical committee ESIA
- Third Party Observers acceptable to both the Company and those affected, such as spiritual leaders, non-governmental organizations, and/or community based organizations; and,

- technical team (see below).

Government Representatives at the PNF will include members of the Local Technical Committee charged with oversight of the ESIA process. These representatives will be charged with reporting progress to the Technical Committee. A strong linkage between the PNF and the Technical Committee is important to ensure that regional technical input is incorporated into the livelihood restoration / resettlement planning process.
5.2.2 Technical Team

Also central to the Company’s approach is the formation of a Technical Team to support and guide the PNF and undertake necessary research and analysis in support of their deliberations. This team will be led by independent professionals, comprise a mix of licensed experts, government technicians, Company staff and PAPs, and have the following basic functions:

- providing strategic direction, supporting the negotiation process, and ensuring that all international standards and Senegalese requirements are met;
- design and implementation of baseline studies and management of the resulting data;
- development of eligibility criteria and an entitlement matrix;
- planning and design of replacement assets;
- determining replacement values for immoveable assets;
- elaborating and implementing supportive programs and the monitoring and evaluation program;
- managing the monitoring and evaluation program and reporting the results to the PNF;
- planning and implementing a stakeholder engagement program that complements negotiations;
- providing legal support and undertaking research investigations in support of the grievance management system;
- preparing the Livelihood Restoration Plan (LRP) or Resettlement Action Plan (RAP) for ratification by the PNF; and
- implementing the LRP or RAP with the oversight of the PNF.

5.2.3 Basic Phases

The Company will manage all future land acquisition as a four-phase process.

Phase 1: Scoping and Strategizing

Each future Project that requires land acquisition will begin with a Scoping and Strategizing Phase. The final product of Phase 1 will be a project-specific Livelihood Restoration Framework (LRF) or Resettlement Framework (RF). Each project-specific LRF or RF will be attached to this policy document as an annex.

The key tasks of this phase are to:

- elaborate specific directions contained in this Livelihood Restoration and Resettlement Policy with project-specific details, including –
  - project description and scope of displacement;
  - results of high-level baseline studies regarding existing socio-economic conditions and the estimated impacts of land acquisition;
  - first pass refinement of eligibility and entitlements; and
  - frameworks for supportive programs.
- define and initiate implementation of a resettlement stakeholder engagement strategy, including –
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- mobilization of one or more PNF(s) and associated Technical Team;
- creation of a public information centre and accessible office for the Technical Team;
- implementation of activities complementary to the PNF; and
- definition of a grievance management system.

- identify any “red flags”, including any displacement of indigenous peoples or significant cultural heritage resources, and define related management strategies;
- confirmation the relationship between the ESIA permitting process (if required) and the land acquisition process, including any reporting requirements; and
- prepare for Phase 2, including definition of an appropriate team, work plan, schedule and budget.

For projects that require an ESIA under Senegalese requirements, the project-specific Livelihood Restoration or Resettlement Framework will be included in the ESIA Report that is submitted to Government.

Phase 2: Planning and Collective Negotiations

The second phase of work is the Planning and Collective Negotiations Phase. It comprises both planning activities and collective negotiations with those affected to define the terms and conditions that will guide land acquisition and livelihood restoration or resettlement.

This phase will result in a Livelihood Restoration Plan (LRP) or Resettlement Action Plan (RAP), which specifies the procedures that the company will follow and the actions that it will take to mitigate and redress adverse effects, compensate for losses, provide development benefits to those affected, and otherwise manage the displacement impacts of the Project.

The major tasks associated with this phase are as follows:

- define the principles, rules and procedures that will guide the negotiations process;
- continue to engage with resettlement stakeholders outside of the PNF;
- further define and implement the Grievance Management System;
- plan and implement baseline studies specific to the Project, including a census, livelihood survey and formal asset inventory;
- design, build and construct a database and geographic information system to manage the resulting data;
- define eligibility policies to determine the impacts and interests that are eligible for reparations, including imposition of a meaningful cut-off date;
- define entitlement policies that identify specific entitlements for each eligible impact and prepare an entitlement matrix;
- identify specific in-kind and in-cash entitlements through appropriate technical studies;
- define supportive programs, including a livelihoods and community development program and vulnerable’s assistance program;
- define the monitoring and evaluation program;
- plan for Phase 3, including design of an appropriate team, and definition of a work plan, schedule, and implementation budget;
- prepare a LRP / RAP for review and approval by the Company and the PNF(s);
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- disclose and finalize the LRP / RAP following an appropriate period of public disclosure (typically 30-60 days).

The final Livelihood Restoration Plan or Resettlement Action Plan will be provided for information purposes to Government, but the Company does not anticipate that any specific permission, approvals or endorsements will be required of this document by Government.

Phase 3: Implementation and Individual Agreements

The third phase of work is the Implementation and Individual Agreements Phase. By the end of this phase, the Company secures access to the land that it requires to develop the Project, and those affected receive all their entitlements and are moved from the area, in accordance with the terms and conditions outlined in the LRP / RAP.

Major tasks are as follows:

- continue to manage the PNF, which remains the key decision-making forum for implementing the LRP / RAP;
- negotiate, sign and execute individual household agreements based on the collective agreements documented in the LRP / RAP;
- deliver all entitlements, including all replacement assets;
- complete detailed design of and initiate implementation of agreed livelihoods and community development and vulnerables assistance programs;
- complete detailed design of and initiate implementation of agreed monitoring and evaluation program; and
- move moveable assets, salvage / destroy immoveable assets, and secure area for Project use.

Phase 4: Supporting and Monitoring

The fourth and final phase of work is the Supporting and Monitoring Phase. In this phase, the Company demonstrates that those affected have been sustainably re-established with an improved quality of life.

Major tasks are as follows:

- continue implementation of agreed livelihoods and community development and vulnerables assistance programs;
- continue implementation of agreed monitoring program; and
- continue implementation of agreed evaluation program, including completion of a final evaluation that demonstrates the success of the land acquisition program.
Section 6: Stakeholder Engagement

This section provides a general overview of the stakeholders in Teranga’s project area, as well as the Company’s approach to stakeholder engagement as it pertains to livelihood restoration and resettlement. A detailed approach to Stakeholder Engagement will be elaborated for each project in the project-specific Livelihood Restoration or Resettlement Framework.

6.1 Livelihood Restoration and Resettlement Stakeholders

Livelihood restoration and resettlement stakeholders are individuals, groups and organizations with a legitimate interest in the resettlement process, including – in particular – affected peoples, households, and communities, relevant traditional and political authorities, responsible government agencies, and interested civil society organizations.

For resettlement planning, the most important stakeholders are those persons and households directly impacted by the Project, viz.:

- persons and households with residential and non-residential structures in the Project Area (i.e., those physically displaced by the Project);
- persons and households with productive assets, usage rights or livelihood capacities in the Project Area (i.e., those economically displaced by the Project); and
- persons and households living within the communities adjacent to the Project Area.

These three groups are not mutually exclusive. For example, physically displaced persons and households may also be economically displaced if they engage in cropping in the Project Area.

The main resettlement stakeholders identified by Teranga Gold include the following:

- Teranga;
- residents of physically and/or economically displaced communities;
- traditional leaders;
- local, regional, and national government representatives and technical agencies; and
- civil society organisations, such as:
  - social groups (e.g., Groupement de Promotion Feminine, youth organisations)
  - unions and federations (e.g., producers unions, transport unions)
  - local and international NGOs (e.g., AKAD, La Lumiere, World Vision, Forum RSE Senegal)
  - National Development Programs (State and international donor-funded)(e.g., PAPIL (Afdb), Yaajeende (USAID), World Bank Projects)

Vulnerable and disadvantaged groups within the above categories, including the destitute, infirm, ethnic minority groups, and women-headed households, receive specific attention to ensure care and obviate neglect. The Company’s approach to vulnerable assistance is detailed in Section 9.
6.2 Teranga’s Approach to Stakeholder Engagement

The general company approach to stakeholder engagement through any given land acquisition process will be focused on the establishment of Project Negotiations Forum processes (described in Section 5). However, a number of additional community engagement activities will typically be required as part of the company’s open, consultative approach. These are described below.

6.2.1 Village Assemblies

An open Village Assembly in a central public place will be required to elect representatives of Project Affected Persons / Project Affected Villages to participate in the Project Negotiation Forum. As these elected representatives will sign the final Livelihood Restoration or Resettlement Action Plan on behalf of all PAPs, it is important that these meetings be open, inclusive and transparent events which clearly explain the Project, as well as the function and purpose of the PNF.

Where the social climate within a given village is seen to be such that an open Village Assembly could contribute to social instability, consideration may be given to holding smaller meetings with specific groups of PAPs. Again, care should be taken to ensure that such meetings are open, inclusive and transparent, to ensure the legitimate authority of representatives elected.

Village Assemblies may be required from time-to-time throughout the PNF process for information purposes or to confirm decisions made by village representatives.

6.2.2 Meetings of the Rural Council

Before commencing formal negotiations, the Company will request to meet with the pertinent Rural Council. This can either be as part of a regular meeting of the Council or as a stand-alone session. The meeting will seek to explain the Project, and solicit Rural Council representatives to sit on the PNF. Rural Council participation is crucial in all PNF proceedings, as the Rural Council is the authority for allocating lands for both Project development and compensation. In addition, the Rural Council is the affected party for all communal lands in a given Rural Community.

Additional meetings of the Rural Council may be required from time-to-time throughout the PNF process, for information purposes or to confirm decisions made by Rural Council members.

6.2.3 Focus Groups

Focus groups with particular PAPs may be employed to obtain additional information related to impacts and mitigation measures. In addition, focus groups with PAPs may be required to confirm decisions made by the village representatives and to ensure that their decisions reflect the will of the PAPs as a whole.

6.2.4 Regional Round Table

The Regional Round Table, established for the purposes of the Teranga Development Strategy may provide additional consultation opportunities for regional and local stakeholders.
throughout a given land acquisition process. The Round Table may serve as a forum for disseminating information about the land acquisition process as a whole; for allowing participants, observers, technical team members, and state participants a chance to report back to a wider audience of regional actors ensuring the transparency of the process; and/or for the resolution of certain grievances.

6.2.5 Statutory Public Meetings (ESIA)

The Senegalese ESIA process requires a number of public consultations before the granting of final project approval. These statutory public meetings may occur before, during or after the completion of the Livelihood Restoration Plan or Resettlement Action Plan, and constitute an important venue for public participation in the project planning process.

6.2.6 Additional Meetings as Required

The Company will hold additional meetings with specific stakeholders throughout the livelihood restoration or resettlement planning process, as appropriate.
Section 7: Eligibility and Entitlements

The following section describes the general principles and policies that the Company proposes to use to determine eligibility and define entitlements on a project-by-project basis. These will be updated and elaborated in Phase 1 for specific projects and finalized in Phase 2 in negotiation with those affected.

7.1 Eligibility

Eligibility policies define who and what is eligible for compensation, and conversely who and what is not. “Who” refers to those persons, households or communities that experience displacement impacts. “What” refers to the types of immoveable assets that will be displaced.

Typically, persons, households, or communities are considered eligible for compensation if they have a legitimate interest in immoveable assets located in the land take area that was established (e.g. planted or constructed) as of a cut-off date. This date is in practice the date of survey undertaken in Phase 2.

7.1.1 Legitimate Interest

The Company understands that legitimate interest is not synonymous with ownership, but rather encompasses displaced people, households and communities with:

- formal legal ownership and use rights recognized under national law;
- informal or customary ownership and use rights that are recognizable under national law; and/or,
- no recognizable legal right or claim to the assets they employ as part of livelihood formation.

The Company recognizes that sometimes PAPs can be individually identified, and sometimes not. Examples of the latter include people who may intermittently use grazing resources; and possibly artisanal miners in cases where it is not feasible to identify all those using an area.

7.1.2 Immoveable Assets

The immovable assets that will be eligible for compensation will generally include those outlined in Section 4.1.

7.1.3 Cut-Off Date

The entitlement cut-off date, once mutually agreed through negotiations, will be used to define the assets eligible for compensation and to provide an empirical baseline to limit speculative activity (i.e., to prove ineligibility). Up to and including that date, immoveable assets will be considered eligible for entitlement compensation. Immoveable assets established after the cut-off date will not be considered eligible for entitlement compensation.
The importance and objectives of the cut-off date will always be publicly disclosed, well-disseminated throughout the Project Area, and agreed to by those affected. In addition, because the cut-off date represents a significant impact on those affected, as it deters future investment and livelihood activities, the imposition of a cut-off date will be delayed until the Company has a reasonable certainty regarding its ability to proceed with the Project and related land acquisition in a timely manner.

### 7.2 Entitlements

Entitlement policies define the specific type of compensation to be made available to those affected by specific displacement impacts. Entitlements vary by interest and by severity of impact, but generally fall into the following categories:

- in-kind compensation, which involves the planning, design and development of replacement assets to compensate for those lost to the Project, and which could include land, housing, community facilities, infrastructure, as well as other assets;
- cash compensation, which involves the payment of cash to compensate for assets lost to the Project, calculated at the replacement value of the lost asset;
- eligibility for participation in Livelihoods and Community Development Programs (see Section 8) and potential eligibility for participation in a Vulnerables Assistance Program (see Section 9);
- mobilization and re-establishment allowances to cover some of the costs associated with mobilization (e.g., packing, salvaging, etc.) and re-establishment (e.g., unpacking, building, clearing, etc.);
- transportation allowance to move belongings and moveable assets to a new location; and
- right of salvage to provide opportunity to salvage immoveable assets, prior to destruction, to the extent practical.

In accordance with international standards, the Company will favour the provision of in-kind compensation over cash compensation wherever feasible, as it represents a reduced risk – for both the Company and those affected – of entitlement mismanagement, inequitable distribution, and long-term impoverishment. Where in-kind entitlements are not possible, the company favours an intensification-based approach to entitlements and livelihoods restoration. Only in instances where both intensification-based and in-kind entitlements are untenable, will the Company consider alternative livelihoods based entitlements. Cash compensation will only be provided under certain circumstances, for specific types of impacts, and under carefully controlled conditions. The Company’s systematic approach to livelihoods restoration is detailed in Section 8, below.

In general, the owner (whether customary or formal) of a particular asset – whether it be land, structures or crops – will be compensated for its loss in full, whereas users will be compensated for the loss of their specific interest in that asset for a period of time and assisted in their re-establishment.
Communal or commonly held assets, including natural and cultural heritage resources, will also be eligible for compensation to offset displacement impacts. Although such impacts are typically difficult to assess and manage, the Company will seek to offset the loss of such resources by relocating the resource, enhancing the productivity of remaining resources, providing access to alternative resources, and/or reducing reliance on that resource.

7.3 Artisanal Mining

Artisanal and small-scale mining (ASM) activity is widespread across the Company’s exploration area. While a legislative framework exists for the formalization of such activities (see Section 2.3.6), all of the artisanal mining activity in the Company’s lease area is non-formalized, illegal activity.

Artisanal mining has a long history in the region. Historically, it has often been relied upon as a source of income during the dry season and/or during years of poor harvest. More recently, artisanal mining has become large-scale in many locations, with more formalized management structures, more sophisticated techniques, and a large proportion of non-local miners and support workers.

The Company believes that the current situation of unregulated ASM in the region poses significant threat to the environment, to social conditions in local villages, and to the viability of the large-scale mining sector, and that Government must recognize the seriousness and urgency of addressing ASM. At the same time ASM is an important and essential livelihood activity in the region. As such, the Company believes that the long-term solution for ASM in the region is formalization under the Mining Code. While the Company is prepared to assist materially or financially in these efforts, the process of formalization must be State-led.

The Company is currently developing a policy to guide its response to ASM within its exploration and exploitation permit areas. This policy recognizes that both the Company and the State have a role to play where ASM activity is occurring on Company lands that are being actively developed.

On lands that are subject to a Company land acquisition process, the Company will take the lead role in addressing ASM activities, with government acting as a key partner. Where Company land acquisition will directly impact ASM, the Company will recognize artisanal miners and those whose livelihoods depend on ASM as eligible parties for livelihood restoration, in accordance with the policies in this LRRP. As individuals with no recognizable legal right or claim to the assets they employ as part of livelihood formation, artisanal miners meet the necessary conditions described in Section 7.1.

While there are typically few immovable assets associated with an ASM operation, the loss of an artisanal mining site due to land acquisition by the Company can have a number of livelihood impacts. Direct impacts include loss of employment opportunities. Indirect impacts include loss of customer-base for local support businesses. In general, local individuals who derive a portion of their income from the artisanal mining lands will have fewer options for livelihood replacement due to the loss of this resource than would migrant miners who routinely travel throughout the broader region exploiting a wide range of sites.
In terms of appropriate entitlements for this group of PAPs, the Company will consider the nature of the livelihood impact. Entitlements will also take into account the fact that mineral deposits have a limited lifetime under either artisanal or industrial exploitation. While specific entitlements for displaced miners and for individuals who are negatively affected by the loss of ASM will be negotiated with the affected communities through Project Negotiations Forums, in general:

- for recent migrant miners, entitlements will be limited, at most, to relocation assistance; and
- for Senegalese artisanal miners, entitlements may include eligibility for livelihoods and community development programs, as well as appropriate transitional support.

### 7.4 Entitlement Matrix

The entitlement matrix presented below in Table 7.1 will guide livelihood restoration and resettlement planning for all future projects.

**Table 7.1: Entitlement Matrix**

<table>
<thead>
<tr>
<th>IMPACTED ASSET</th>
<th>ENTITLED PARTIES</th>
<th>ELIGIBILITY</th>
<th>ENTITLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SETTLEMENT LANDS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Residential Compounds | Registered or customary owner – Heads of Concession | Registered or customary owner of asset identified in asset inventory | Replacement compound, ideally area for area, and assistance in reestablishment.  
 or  
 In exceptional circumstances, cash compensation at agreed replacement rates. |
| Institutional Compounds | Registered or customary owner – Local authorities | Registered or customary owner of asset identified in asset inventory | Replacement compound, ideally area for area, and assistance in reestablishment.  
 or  
 Improvements to existing compound for same community facility type in host community. |
| Commercial Compounds | Registered or customary owner – Heads of Concession | Registered or customary owner of asset identified in asset inventory | Replacement compound, ideally area for area, and assistance in reestablishment.  
 or  
 In exceptional circumstances, cash compensation at agreed replacement rates. |
| Communal Lands | Registered or customary owner -- Local authorities | Registered or customary owner of asset identified in asset inventory | Replacement communal lands, ideally area for area, and assistance in reestablishment. |
| Other Residential Lands | Customary owner – Informal Settler | Customary owner of asset identified in asset inventory | Replacement plots, ideally area for area, and assistance in reestablishment.  
 or  
 Intensification of remaining lands equivalent to the productivity of lands taken.  
 or  
 Support with establishment of alternative livelihoods |
| **RURAL LANDS** | | | |
| Agricultural Lands | Registered or customary owner – Heads of Household | Registered or customary owner of asset identified in asset inventory | Replacement agricultural lands of equal or greater potential productivity and locational advantages, and assistance in re-establishment.  
 or  
 Intensification of remaining lands equivalent to the productivity of lands taken.  
 or  
 Support with establishment of alternative livelihoods |
### Livelihood Restoration and Resettlement Policy

<table>
<thead>
<tr>
<th>IMPACTED ASSET</th>
<th>ENTITLED PARTIES</th>
<th>ELIGIBILITY</th>
<th>ENTITLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customary user – Sharecroppers</td>
<td>Customary user of asset identified in asset inventory</td>
<td>Replacement sharecropping agreements on replacement agricultural lands of current landlord or on other agricultural lands, and assistance in reestablishment. (Note: customary owners with active sharecropping agreements must accept replacement agricultural land)</td>
<td></td>
</tr>
<tr>
<td>Resource Lands</td>
<td>Customary owner – Local authorities</td>
<td>Customary owner of asset identified in asset inventory</td>
<td>Access to equivalent area of replacement resource lands of equal or greater potential productivity and locational advantages. or Sustainable improvements in other resource lands to increase production of key commodities or Alternative investments of a communal nature</td>
</tr>
<tr>
<td></td>
<td>Customary users – Grazing Lands</td>
<td>Customary user of asset identified in socio-economic survey</td>
<td>Access to an equivalent area of replacement grazing lands of equal or greater potential productivity and locational advantages, and assistance in re-establishment. and/or Improvements in carrying capacity of remaining grazing lands.</td>
</tr>
<tr>
<td></td>
<td>Customary users – Forest Products</td>
<td>Customary user of asset identified in socio-economic survey</td>
<td>If legally feasible, access to an equivalent area of replacement forest resources of equal or greater potential productivity and locational advantages, and assistance in re-establishment. and/or Sustainable improvements in other resource lands to increase production of key commodities and/or Reduce reliance on forest resources through provision of acceptable alternatives (e.g., high-efficiency stoves, market gardens, plantations, etc.). and/or Provision of rights to harvest forest products in project areas scheduled for clearance, with appropriate support.</td>
</tr>
<tr>
<td></td>
<td>Customary users – Fish and Game</td>
<td>Customary user of asset identified in socio-economic survey</td>
<td>If legally feasible, access to an equivalent area of hunting and fishing grounds of equal or greater potential productivity and locational advantages.</td>
</tr>
<tr>
<td>Artisanal Mining Lands</td>
<td>Customary Users – Direct Labourers</td>
<td>Local, traditional users of the artisanal mining lands</td>
<td>Eligibility for livelihoods and community development programs. and/or Appropriate transitional support (e.g., income replacement for a period of time).</td>
</tr>
<tr>
<td></td>
<td>Recent migrants utilizing the artisanal mining lands</td>
<td></td>
<td>Relocation assistance.</td>
</tr>
<tr>
<td>Managers of Artisanal Mining Operations</td>
<td>Public Authorities such as village chiefs</td>
<td></td>
<td>Direct community investment comparable to loss of communal revenues from informal taxes and royalties.</td>
</tr>
<tr>
<td></td>
<td>Other mine managers such as Mine Foremen</td>
<td></td>
<td>Eligibility for livelihoods and community development programs. and/or Appropriate transitional support (e.g., income replacement for a period of time).</td>
</tr>
<tr>
<td>Residential Structures</td>
<td>Registered or customary owner – Heads of household</td>
<td>Registered or customary owner of asset identified in asset inventory</td>
<td>Resettlement house, ideally on basis of room for room and area for area, and assistance in reestablishment. or In exceptional circumstances, cash compensation equivalent to value of replacement house.</td>
</tr>
<tr>
<td></td>
<td>Customary user – Tenant</td>
<td>Customary user of asset identified in asset inventory</td>
<td>Replacement tenancy agreement in replacement house of current landlord or in another house, and assistance in reestablishment.</td>
</tr>
<tr>
<td>IMPACTED ASSET</td>
<td>ENTITLED PARTIES</td>
<td>ELIGIBILITY</td>
<td>ENTITLEMENT</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| Commercial structures | Registered or customary owner | Registered or customary owner of asset identified in asset inventory | Replacement structure, ideally on basis of room for room and area for area, and assistance in reestablishment.  
  or  
  Cash compensation equivalent to value of replacement structure. |
| Tenant | Tenant of asset identified in asset inventory | Replacement tenancy agreement in replacement structure of current landlord or in another structure, and assistance in reestablishment.  
  or  
  Provision of a rental allowance for a fixed term and assistance in reestablishment. |
| Annex buildings | Registered or customary owner | Registered or customary owner of asset identified in asset inventory | Right of salvage  
  or  
  Cash compensation at agreed replacement rates. |
| Artisanal Mining Works and Structures | Registered or customary owner | Registered or customary owner of asset identified in asset inventory | Right of salvage. |
| Fences and Other Built Improvements | Registered or customary owner | Registered or customary owner of asset identified in asset inventory | Right of salvage and/or  
  Cash compensation at agreed replacement rates. |
| Community Facilities | Registered or customary owner – Local authorities | Registered or customary owner of asset identified in asset inventory | Replacement facilities, ideally on basis of room for room and area for area, and assistance in reestablishment.  
  or  
  Expansion of existing facilities in host community, and assistance in reestablishment. |
| Infrastructure | Registered or customary owner | Registered or customary owner of asset identified in asset inventory | Replacement infrastructure on replacement compounds or agricultural lands.  
  or  
  In exceptional circumstances, cash compensation at agreed replacement rates. |
| Customary owner – Local authorities | Registered or customary owner of asset identified in asset inventory | Replacement infrastructure in communal lands or resources lands. |
| BUSINESSES | | | |
| Businesses | Registered or customary owner | Registered or customary owner of Business identified in business survey | Cash compensation for agreed lost net income during a transition period and assistance with re-establishment.  
  and/or  
  Where reestablishment not possible, eligibility for livelihood and community development programs, with appropriate transitional support (e.g., income replacement for a period of time). |
| Employees | Employee of Business identified in business survey | Replacement employment agreement with affected businesses and compensation for agreed lost income.  
  or  
  Where replacement of employment not possible, eligibility for livelihood and community development program, with appropriate transitional support (e.g., income replacement for a period of time). |
| GARDENS, CROPS AND TREES | | | |
| Gardens, Crops and Trees | Registered or customary owner | Registered or customary owner of asset identified in asset inventory | Cash compensation at agreed replacement rates, and assistance in reestablishment (e.g., provision of seedlings).  
  and  
  Supervised sharing of proceeds with other interests (e.g., sharecroppers). |
| Customary owner – Local authorities | Customary owner of asset identified in asset inventory | Cash compensation at agreed replacement rates, and assistance in re-establishment.  
  and  
  Supervised sharing of proceeds with other interests (e.g., sharecroppers). |
<table>
<thead>
<tr>
<th>IMPACTED ASSET</th>
<th>ENTITLED PARTIES</th>
<th>ELIGIBILITY</th>
<th>ENTITLEMENT</th>
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<tbody>
<tr>
<td><strong>ACCESS ROUTES</strong></td>
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<tr>
<td>Access Routes</td>
<td>Customary owners – Local authorities</td>
<td>Registered or customary owner of asset identified in asset inventory.</td>
<td>Replacement access.</td>
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<tr>
<td><strong>CULTURAL HERITAGE</strong></td>
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<tr>
<td>Cemeteries</td>
<td>Registered or customary owners</td>
<td>Registered or customary owner of asset identified in asset inventory.</td>
<td>Appropriate management to be determined in collaboration with local authorities, spiritual leaders and others as appropriate.</td>
</tr>
<tr>
<td>Sacred Sites</td>
<td>Customary owners</td>
<td>Customary owner of asset identified in asset inventory.</td>
<td>Appropriate management to be determined in collaboration with local authorities, spiritual leaders and others as appropriate.</td>
</tr>
<tr>
<td>Other Heritage</td>
<td>Customary owners</td>
<td>Customary owner of asset (tangible or intangible) identified in asset inventory or socio-economic survey.</td>
<td>Appropriate management to be determined in collaboration with local authorities, spiritual leaders and others as appropriate.</td>
</tr>
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Section 8: Livelihoods and Community Development Programs

It is important to distinguish between livelihoods restoration and community development programs. Livelihoods restoration and community development are different but related programs that contribute to ensuring that affected communities are better off after the development of the mining project than before, on an individual as well as a collective basis.

Livelihoods restoration refers specifically to measures required to mitigate any negative impacts the Project may have on people’s economic assets or activities. The key guiding principle for livelihoods restoration is one of the objectives of IFC Performance Standard 5: “To improve, or restore, the livelihoods and standards of living of displaced persons.” These mitigation measures are not optional, and as a general rule should be in place by the time any physical or economic displacement takes effect. The cost of these mitigation measures is part of the capital cost of a project, and does not come from allocations for community development. Livelihoods restoration programming will form an integral part of every RAP or LRP.

Local employment, procurement and training will constitute important aspects of the Company’s strategy to increase the benefits for local communities. However, unless targeted to individuals who have experienced specific economic impacts, these programs may not be considered part of livelihoods restoration.

Community development refers to a more open-ended program of interventions that contribute to both economic and social development of communities who are considered stakeholders. The area of intervention will extend beyond the people who experience physical or economic displacement. The specific objectives and modes of implementation may vary, and are subject to negotiation with stakeholders, including communities and government. Thus community development goes beyond livelihoods restoration in time, space, and range of objectives. A community development program will, nevertheless, form an important component of all LRP s and RAP s, as community development initiatives are central to improving quality of life in Project Affected Communities. Furthermore, community development initiatives are likely to become part of an overall package of benefits or measures negotiated with communities and government during project planning.

Since both livelihoods restoration and community development involve economic development, certain activities may contribute to both programs. However, a distinction will be maintained between the two for planning and resource allocation. Since community development programs derive from a different set of principles than livelihoods restoration, they will be the subject of a separate program, discussed below.

8.1 Livelihoods Restoration Programs

While respecting all applicable national laws and IFC Performance Standards, the following principles will be applied by the Company in planning livelihoods restoration programming.

Minimize negative impact on livelihoods – The first objective of IFC Performance Standard 5 is “To avoid, and when avoidance is not possible, minimize displacement by exploring alternative
project designs.” This includes minimizing economic displacement due to land take. Efforts to minimize land take will be documented, including consultation of affected people on land use and alternatives.

**Identify economic impacts systematically** – Economic impacts on local people will be determined systematically through on-the-ground studies, including detailed surveys and consultations with PAPs. To the extent possible, such impacts will be quantified and the affected people identified individually. However, impacts that affect an unnamed set of people (for example, itinerant livestock herders) will also be documented. Impacts are considered even if the affected people are not resident in the area, do not own the land, or do not have legal title or access to the resources. Specifically, impacts on unlicensed artisanal mining are taken into account.

**Recognize advantage of location as an asset** – In accordance with the guidance notes to IFC Performance Standard 5, replacement land for habitation, farming or other activities should have advantages of location “at least equivalent to the old site.” If this is not possible, any loss of advantage of location will be considered as an additional impact requiring mitigation.

**Plan and negotiate mitigation measures with affected people** – The planning of livelihoods mitigation is not a purely technical exercise, but requires a high level of interaction with the affected people, in order to develop the most feasible and desirable mitigation measures. The agreed mitigation measures, being a form of compensation, will be incorporated into formal collective and/or individual agreements. To the extent possible, the agreed mitigation measures will be described and quantified in these agreements, so the affected people may evaluate what they are getting as compared to what they are giving up.

**Livelihoods restoration is individual** – The goal is that no person will suffer an economic loss due to the project. Thus, mitigation measures will be planned to take account of each individual situation, and not aggregate measures of economic benefits. Individuals within an affected household, for example women and men, will be considered to have equal entitlement to any livelihood restoration measures.

**Plan to over-compensate** – To the extent that the quantitative impacts may not be fully known, and the effectiveness of mitigation measures is not guaranteed, the prudent approach is to plan for a margin of safety in compensation measures. This will help to ensure that the minimum requirement of no negative impact on livelihoods will be met.

**Give preference to replacement of existing livelihood activities** – Subject to consultations with the affected people, livelihood mitigation measures will be planned according to the following hierarchy of preference:

**Category 1. Restoration of existing livelihoods.** Generally, the lowest-risk option will be to re-establish the existing livelihoods of the affected people, so that they can continue doing what they know best and what is known to work in the local situation. While the opportunity may be taken to introduce proven enhancements to the existing livelihoods (for example, replacement of fruit trees with locally tested, superior varieties), the emphasis should be on replacing the livelihood assets with new assets of at least equal quality. In this case there is little risk of failure due to technical, economic or social factors. Even if for any reason the affected people choose not to continue their
previous activities, it can still be shown that they were provided with all the means to do so.

**Category 2. Intensification of existing livelihoods.** For land-based livelihoods, in the event that there is insufficient available replacement land of at least equal quality, in many cases a viable option is to bring about a permanent, sustainable intensification of land use, so that a smaller area of land can be made to produce as much or more than the original land base, without requiring additional labour or other costs on an on-going basis. Sustainable intensification of non-land based livelihoods may also be possible. Since any technical intervention is not guaranteed of success in a particular situation, care will be taken to identify interventions for which there are successful precedents under very similar conditions, and having the fewest identifiable risk factors. Consultation, and experimentation through pilot programmes will improve the chances of success.

**Category 3. Introduction of alternative livelihoods.** In terms of livelihood replacement, the substitution of a new type of livelihood (for example doing business) for an existing one (for example farming) should only be considered when there is no feasible way of restoring the existing means of livelihood. In the Company’s situation, artisanal mining may in some cases represent an activity that cannot feasibly be replaced in its current form. Objectively, developing new livelihoods carries much more risk of failure than restoring existing livelihoods, or intensifying existing livelihoods. For existing livelihoods, usually the factors needed to maintain those livelihoods can be identified with some confidence. However, for new livelihoods, even with the best planning, it may not be possible to ensure that all the technical, economic, human and intangible factors are in place for the new activities to be successful and self-sustaining. If the introduction of a new livelihood activity is only partially successful, then the goal of restoring livelihoods of all affected people may not be met. In many cases, the promotion of alternative livelihoods may be more appropriate under community development programs, which are not intended to mitigate specific economic losses for specific individuals.

For long term, local artisanal miners experiencing displacement from artisanal mining lands due to Company land acquisition, the Company will strive to develop Category 3 alternative livelihoods based entitlements and livelihoods programming. See Table 8.1 for Indicative livelihoods restoration measures.

**Implement pilot activities where possible** – Livelihoods, as assessed at any given point in time, represent intricate systems of subsistence, honed over long periods of time – often generations. They evolve and adapt to particular environmental, socio-economic, cultural circumstances. Displacement of livelihoods may have complex, unpredictable, often immeasurable effects. As such, even lower-risk livelihood interventions are not guaranteed to succeed. Whenever time permits, interventions that are new to the area will be tested through pilot or demonstration activities. This will enable any potential issues (technical or human) to be identified before full-scale implementation. Demonstrations can also help the affected people to make more informed choices of alternative activities.
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Maintain intervention until success is demonstrated – Some livelihood restoration measures will take years to become fully effective, and the time may increase depending on the challenges encountered. Livelihood interventions will be maintained for as long as necessary to demonstrate that the goal has been fully achieved. During the period when any new sources of livelihood are not fully operational, the affected people will be entitled to some form of interim compensation, for example for lost income or food supply.

8.2.1 Examples of Livelihood Restoration Measures

Project will have its own unique set of impacts, constraints and opportunities within which the most appropriate livelihood restoration measures will be determined. The following table presents some indicative examples of livelihood interventions that may be appropriate in some common situations.

Table 8.1. Indicative Livelihood Restoration Measures

<table>
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<tr>
<th>IMPACT</th>
<th>INDICATIVE LIVELIHOOD RESTORATION MEASURES</th>
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| Loss of agricultural lands | Category 1: Identification of replacement lands; land preparation; sustainable improvements to land (if not of comparable quality to affected land).  
                          | Category 2: Development of smaller, intensively cultivated areas with irrigation or other productivity enhancements; establishment of high-value permanent crops.                                                                 |
| Loss of resource lands      | Category 1: Access to comparable resource lands which were previously inaccessible or less accessible.  
                          | Category 2: Sustainable improvements in other resource lands to increase production of key commodities; establishment of plantations (individual or communal) for production of key commodities; establishment of more intensive systems of livestock production.  
                          | Category 3: Development of new markets for underutilized products (e.g., bamboo) from remaining resource land.                                                                                                                              |
| Loss of access to artisanal mining sites | Category 3: Eligibility for livelihoods and community development programs                                                                                                                                                                      |

The Company’s approach to livelihoods restoration programming, as outlined in this section, drives the Company’s position on entitlements (outlined in Section 7) to be negotiated through the PNF process. The nature of the programming developed will be dependent on the availability of entitlement options, as prioritized above, as well as their acceptability to communities. For example for land-based livelihoods, if in-kind compensation is unavailable, the programming developed will focus on intensification-based livelihood restoration.
8.2 Measuring Success

8.2.1 Performance Indicators

Livelihood Program performance indicators will be updated once the Program has been finalized in consultation with affected persons through the PNF process. For each affected household that experiences a loss of agricultural or resource land as a result of Project activities, critical indicators will include:

- number and area of active and fallow agricultural parcels worked / owned;
- harvest yields, and the amount and value of agricultural produce consumed and sold;
- condition and quantity of livestock owned, and the condition and quantity of grazing land accessible; and
- access to and use of forest resources.

For each affected household that experiences economical displacement (in some way other than from the use of their household or their community’s land), as a result of Project activities, critical indicators will include:

- Number of people whose wage and enterprise based livelihoods is affected by the Project, and the proportion of their livelihood / income affected
- Number of people participating in skill training and local employment programs
- Amount spent on local procurement.

Livelihoods programs will be monitored as part of overall LRP or RAP monitoring program, as described in Section 11 of this document.

8.2.2 Livelihood Restoration Program Closure

The livelihood restoration program will be deemed to be complete when, after an agreed monitoring period established through the PNF process in accordance with international best practice, all affected households have demonstrated success in meeting the established livelihood restoration performance indicators. The company will commission an external resettlement expert to conduct a completion audit of the Resettlement Action Plan or Livelihood Restoration Plan to assess whether these performance indicators have been met. Completion of any corrective actions identified by the completion audit should bring the Company’s responsibility for livelihood restoration to a close.

8.3 Community Development Programming

As discussed above, development programming and livelihood restoration programming must be kept separate and distinct to ensure that livelihood restoration (mitigation) is not confused with general commitments to community development. Nevertheless, a community development program will form a component of all LRP and RAPs, as community development initiatives are central to improving quality of life in affected communities. Furthermore, community development initiatives are likely to become part of an overall package of benefits or measures negotiated with communities and government during project planning. The following
initiatives may be considered as community development programs. Which of these programs will ultimately be implemented will be determined through the PNF.

- financial literacy training to enable effective management of any cash compensation;
- training targeting small and medium enterprise start-up and growth and the provision of microcredit;
- identification of local business and training for local procurement opportunities;
- literacy and numeracy training for adults, as well as additional vocational training for skilled and unskilled labour;
- agricultural enhancement through microcredit, crop diversification, improved inputs and technologies, improved access to markets and enhanced management practices;
- enhancement of pasture land and agroforestry production through technical and financial support;
- enhancement of market gardening techniques and opportunities through training, micro-finance, installation of water infrastructure, and access to improved inputs;
- installation of water points (on replacement plots) to improve agricultural productivity, reduce vulnerability to drought, and increase food security;
- provision of pushbikes to affected households to access more distant agricultural and other productive land, and assistance with the establishment of seasonal shelters on this land;
- establishment of nurseries for valuable plants, including crop species, fruit trees and medicinal plants, for replanting on replacement plots and in household gardens;
- capacity building for local civil society;
- assistance targeting the reduction of reliance on forest products, including the distribution of improved stoves and access to health care; and
- allocation of timber resources cleared for Company activities to local households.
Section 9: Assistance to Vulnerable People and Groups

Vulnerable people can be defined as people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be less able to participate fully in the planning process, and/or more adversely affected by land acquisition and the resulting direct and indirect impacts. It would be particularly concerning if people who are already the most disadvantaged were to experience additional hardships or setbacks as a result of the Company’s activities.

A distinction is made between pre-existing vulnerability, and Project-induced vulnerability. It is the responsibility of the Company to completely avoid or eliminate any instances of Project-induced vulnerability.

With respect to pre-existing vulnerability, the Company’s goal is to at least have no negative impact on the vulnerable persons, which can best be done by demonstrating a positive impact.

A project-specific vulnerable persons assistance program will be defined as part of the Phase 1 and 2 process described in this LRRP, in consultation with those affected. This process will confirm community concepts of vulnerability, identify vulnerable and potentially vulnerable people and households, establish a monitoring system, and define specific assistance measures.

Vulnerable persons may include:

- ethnic minority people and households;
- women and women-headed households;
- households with a high number of dependents;
- elderly persons and households (e.g. persons age 70 or over);
- single parent or single person households;
- persons with disabilities and/or of ill health;
- persons and households with no or little cash income;
- persons who will have difficulty accessing LRP / RAP support programs; and,
- tenant and sharecropping people and households, who have no ownership rights to immoveable assets.

9.1 Key Elements of the Vulnerables Program

The objective of the vulnerables program is to avoid the occurrence of Project-induced vulnerability, and if it occurs or is likely to occur, to fully mitigate any impacts through appropriate measures.

As for any PAPs, the basic principle is that vulnerable or potentially vulnerable persons should at least not be made worse off by the Project, and if possible be made better off. Essentially, the program applies the same principles that apply to resettlement as a whole, while focussing individual attention on vulnerable or potentially vulnerable persons.
This will be accomplished through two principal strategies: **preventive measures** and **follow-up measures**.

Preventive measures form a part of almost every aspect of the livelihood resettlement process. All projects will be implemented in a way that avoids a wide range of possible causes of Project-induced vulnerability. In the Company’s area of operation, most of the people are poor subsistence farmers, such that a majority of the affected people exhibit some characteristics of vulnerable persons. Given the precarity of their livelihoods, projects will be designed with a view to avoiding any additional strain or risk to their situation.

Follow-up measures involve identifying and monitoring specific individuals and households who, because of their particular circumstances, may be at risk of being made vulnerable or more vulnerable due to project-related physical and/or economic displacement. A formal register of people to be monitored for potential negative impacts will be set up, and there will be staff dedicated to following-up with the identified people. Where necessary, assistance of the most appropriate nature will be provided to address specific impacts.

It is noted that existing family and social networks do provide support to vulnerable persons. Thus, particular attention will be given to ensuring that existing support systems are maintained and not disrupted through the displacement and/or resettlement process.

Details of the vulnerables program will be documented in the LRP or RAP. Examples of specific measures that may be considered include:

- measures to ensure full participation in the negotiations process, including sufficient opportunity to make their voices heard and have their concerns and issues addressed;
- measures to ensure full understanding of the final LRP / RAP, as well as of any legal agreements that they may sign;
- provision of extra assistance in moving, salvaging and related logistics;
- re-establishment near family, friends and neighbours to help maintain informal social/support networks;
- provision of specific entitlements (e.g., granting ownership rights to particular replacement assets) to ensure sustainable re-establishment;
- assistance in participating in the vulnerables assistance program, the livelihood and community development program, and in taking advantage of other assistance measures; and,
- provision of targeted assistance under the vulnerables assistance program, such as extra assistance in preparing new agricultural fields and gardens.

As with the livelihood restoration program, the Company will continue implementation of the vulnerables assistance program until such people and households have been successfully re-established.
9.2 Vulnerables and Community Development Programs

As described in Section 8, the Company’s community development programs will be distinct from, but coordinated with livelihoods restoration programs. Subject to negotiations with the affected communities, some of the community development activities will focus on improving the situation of pre-existing vulnerable persons, even if their situation is not attributable to Project impacts. This will serve to increase the level of confidence that there will be no deterioration in the situation of vulnerable persons.
Section 10: Grievance Management

A Grievance Management System receives and addresses concerns raised by stakeholders in a transparent, constructive, timely, confidential (if desired), culturally appropriate and accessible manner.

The Company has implemented a Grievance Management System for its area of operations. This system is administered by the Community Relations Department and is documented in a Standard Operating Procedure that took effect in March 2012.

For all future land acquisition processes, a project-specific Grievance Management System, separate from the SOP, will be established as part of the Phase 1 Livelihood Restoration or Resettlement Framework, in consultation with those affected. The Grievance Management System will be fully documented in the project-specific LRP and RAP. The component mechanisms of such a system are likely to be as follows:

- First Order Mechanism, which comprises an informal resolution process in which a stakeholder brings forward his/her concern for discussion with his/her representatives at the PNF, with members of the Technical Team, or with the Grievance Management Officer – a dedicated SGO Community Relations staff member. The Company expects that the vast majority of concerns will be heard and resolved within these informal interactions. If this informal process does not resolve the issue satisfactorily, complainants will be encouraged to make use of any of the other mechanisms presented below.

- Second Order Mechanism, which comprises the management of substantive and/or written comments and concerns by the Grievance Management Officer. This mechanism will closely resemble the Company’s current, operations-wide system and consist of a formal Registration, Reporting, Validation, Investigation and Resolution process. The Company expects that most substantive grievances should be successfully resolved by this mechanism. However, when the Grievance Management Officer cannot resolve the matter, or when more complex issues require higher-level decision making, grievances will be forwarded on to the Third Order Mechanism.

- Third Order Mechanism, which involves the management of grievances that are presented to the PNFs for resolution. The Company anticipates that the PNFs will serve as an important and trusted arbiter in complicated grievances. Depending on the urgency of the grievance issue, the PNFs may be convened specifically to deal with that issue, however it is expected that the PNFs will meet with sufficient regularity to address any concerns as they arise. Deliberation and any decision taken by the committees will be reflected in the minutes, and the PNF will provide a written response to the complainant.

- Fourth Order Mechanism, which involves the formal judicial system. The Company recognizes that it is unlikely to be able to satisfactorily address all grievances with the three above mechanisms and that all parties have the right under Senegalese law to take their grievances into the Senegalese judicial system at any time for resolution. The
Company will inform those people, households and communities that prefer litigation of their rights, entitlements and the existence of any legal aid.

The Technical Team, and particularly the Grievance Management Officer, will assume overall responsibility for administration of the project-specific Grievance Management System, including tracking individual petitions through to their resolution and compiling relevant summaries of grievance-related information on a regular basis for public disclosure. Depending on the scope of displacement and the volume of grievances anticipated, the Grievance Management Officer may be full-time or part-time.
Section 11: Monitoring and Evaluation

A Monitoring and Evaluation Program enables constant improvement of the land acquisition process and helps to ensure that those affected are left better off. It continues until household livelihoods have been successfully re-established and longer-term community development processes have taken root.

Monitoring and Evaluation Programs will be defined as part of the Phase 1 Livelihood Restoration or Resettlement Framework, in consultation with those affected, and will be fully documented in the LRP or RAP.

11.1 Monitoring

Monitoring provides timely and concise information indicating whether the land acquisition process is on track to achieve its goals and objectives, whether any unforeseen impacts or risks have emerged, and whether national, international and Company standards are being met. Monitoring programs will typically be:

- designed and implemented by the Technical Team in collaboration with those affected and other stakeholders;
- overseen by the PNF in keeping with the spirit of transparency and good faith negotiations; and,
- based on a number of key performance indicators, which will be linked back to the baseline information collected in the LRP or RAP and other socio-economic datasets.

11.1.1 Monitoring Indicators

To provide the foundation for monitoring, livelihood restoration and resettlement performance indicators will be updated once entitlements and livelihoods restoration programs have been defined in consultation with affected persons through the PNF process.

For each affected household that experiences a loss of agricultural or resource land as a result of Project activities, critical indicators will include:

- number and area of active and fallow agricultural parcels worked / owned;
- harvest yields, and the amount and value of agricultural produce consumed and sold;
- condition and quantity of livestock owned, and the condition and quantity of grazing land accessible; and
- access to and use of forest resources.

For each affected household that experiences economical displacement (in some way other than from the use of their or their community’s land), as a result of Project activities, critical indicators will include:

- number of people whose wage and enterprise based livelihoods is affected by the Project, and the proportion of their livelihood / income affected;
Livelihood Restoration and Resettlement Policy

- number of people participating in skills training and local employment programs; and
- amount spent on local procurement.

For households identified as vulnerable at any stage of Project development, whether this vulnerability is a result of pre-disposition or Project activity, critical indicators will include:

- number of vulnerable households identified;
- whether all household members have enough food during all months of the year; and
- changes in numbers of basic household assets owned, by type.

For the general socio-economic well being of Project Affected Villages, the following indicators will be considered for sample households:

- amount and balance of income and expenditure;
- inflation rate (e.g., measured through the cost of a market basket of essentials);
- literacy and educational achievement, disaggregated by age and gender;
- incidence of disease and disability;
- amount of third party support (including in-kind) leveraged for community development programming, and number of implementation partners; and
- perception of overall changes in health, education and household/community welfare in Project affected areas.

The efficacy of the different programs, whether policies, procedures, staff and other inputs related to the programs are adequate, and whether these inputs are used efficiently, will be monitored by indicators such as the following:

- the cost of livelihood and resettlement programming in total and per eligible household; and
- the average amount of time that it takes for a project related grievance to be resolved.

11.1.2 Monitoring Activities

Livelihood Restoration Plans and RAPs will be designed with an appropriate package of extension and support services provided by Company staff or Company hired consultants to ensure effective program delivery. The ongoing, direct work with PAPs through the implementation of livelihood restoration programs will constitute the primary means of continually monitoring effectiveness. Progress reports to the designated Company project manager will allow for changes in program design to address emerging issues.

In addition to livelihood restoration program-specific monitoring, SGO Community Relations Officers will continue to informally monitor performance indicators through routine visits to Project Affected Villages and households. This informal monitoring will be an important information source in considering program progress, and making adjustments as appropriate.
Quarterly meetings of the PNF will be held to collectively discuss advancement towards achievement of program objectives. These forum discussions will also serve as venues for the discussion of potential program changes and improvements.

An annual PAP household survey, with both quantitative and qualitative performance indicators, will be employed to monitor and measure progress on program goals. These project-specific annual household surveys will be complimented by a 5 yearly household survey throughout the Mine area.
11.2 Evaluation

The purpose of evaluation programs, in contrast to monitoring, is to provide focused, independent assessment of the overall success of the land acquisition, at regular intervals. Evaluation programs will include the following aspects:

- evaluation of monitoring results and actions taken as a result;
- determination of compliance with the LRP / RAP, Company policies (including this document), Sengalese requirements, and international standards;
- evaluation of emergent, mid- and long-term development indicators, including the key performance indicators defined as part of the monitoring program;
- identification of any unforeseen, or inadequately addressed risks or problems; and
- recommendations designed to correct identified problems and/or enhance the achievement of resettlement goals and objectives.

Quarterly meetings of the PNF will serve as opportunities to collectively evaluate progress towards achievement of LRP/RAP objectives.

An annual external evaluation will also be conducted of the livelihoods restoration or resettlement program. A completion audit will constitute the final step in the evaluation program.

11.3 Closure of LRP / RAP

Implementation of a Resettlement Action Plan or Livelihood Restoration Plan will be considered completed when the adverse impacts of land acquisition have been addressed in a manner that is consistent with the relevant plan and international standards. The Company will commission an external completion audit of the Resettlement Action Plan or Livelihood Restoration Plan to assess whether international standards and the provisions of the relevant plan have been met.

A completion audit should be undertaken once all mitigation measures have been substantially completed and once displaced persons are deemed to have been provided adequate opportunity and assistance to sustainably restore their livelihoods, and after an agreed monitoring period. The completion audit will include, at a minimum, a review of the totality of mitigation measures implemented by the Company, a comparison of implementation outcomes against agreed objectives, and a conclusion as to whether the monitoring process can be ended.

In the majority of cases, the completion of corrective actions identified by the completion audit should bring the client’s responsibility for resettlement, compensation, livelihood restoration, and development benefits to a close.
Section 12: Way Forward

As noted in Section 1, the Company plans to incrementally expand its mining operations throughout the region over time, as exploration activities are advanced, feasibility studies completed, and the necessary permissions and approvals obtained. Each incremental expansion will be treated as a stand-alone Project.

Once a Project has been identified that requires land acquisition, the Company will appoint a Project Manager to lead the completion of Phase 1 of the land acquisition process outlined in Section 5.2.3. The final product of this will be a project-specific Livelihood Restoration or Resettlement Framework that will be annexed to this document, as well as to the project ESIA, and serve as the basis for Phase 2 activities. It is expected that a typical Phase 1 process will take approximately four weeks to complete.

Phase 2 will commence immediately after completion of Phase 1. The Company will appoint a Lead Negotiator, who may or may not be the same as the Project Manager, and also retain such outside expertise as may be required, including technical experts, surveyors, land appraisors, engagement specialists, negotiation mediators, and so on. The final product of this phase of work will be a project-specific Livelihood Restoration Plan or Resettlement Action Plan. It is expected that a typical Livelihood Restoration Plan will require 3-6 months to complete, whereas a Resettlement Action Plan, which typically involves a more complex set of issues, will take 12-18 months.

Phase 3 involves the securing of individual household agreements. The timeline for the completion of this stage will vary considerably, depending on the number of households affected, but could range from a few weeks to 18 months.
Section 13: Glossary

**Economic Displacement:** The loss of assets or access to assets that leads to loss of income sources or other means of livelihood as a result of project-related land acquisition and/or restrictions on land use.

**Involuntary Resettlement:** Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

**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.

**Physical Displacement:** Refers to the relocation or loss of shelter as a result of project-related land acquisition and/or restrictions on land use.

**Replacement Cost:** The market value of the assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Market value is defined as the value required to allow PAPs and PAVs to replace lost assets with assets of similar value. The valuation method for determining replacement cost should be documented and included in applicable Resettlement Action Plans or Livelihood Restoration Plans.