

# **Corporate Social Responsibility at Golden Star Resources, Ghana: A Multiperspective Collaborative Case Study Report**

## **Chapter Three**

**Spring, 2010**

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The authors gratefully acknowledge the immense contribution of Dr. Mark Thorpe of GSR in agreeing to participate, granting access to GSR operations and reviewing the case write-up. Mark Thorpe also provided significant information and reviewer comments and suggestions which ensured that the case is technically accurate in terms of mining details and GSR's position on a variety of issues.

The authors gratefully acknowledge the following people for providing valuable input on drafts of this case study report:

Martin Ayisi (formerly of the Minerals Commission)

Dr. Thomas Akabzaa, Department of Earth Sciences, University of Ghana

Dr. Daniel Ofori, University of Ghana Business School

# **1. Introduction**

## *1.1 Topic*

This is a report of a case study of Golden Star Resources (GSR), a mid-tier gold mining company incorporated in Canada, with gold revenues in 2009 of US\$400.7 million, an increase of 56% over 2008 revenues of U.S \$ 257.4 million (GSR, Press Release, February 28, 2010). This report draws on the research findings conducted by Hevina S. Dashwood and Bill Buenar Puplampu, as part of a collaborative, multi-perspective case study project under the direction of Kernaghan Webb, Ryerson University. This project uses a multi-perspective and collaborative approach to case study development, involving Canadian and developing country teams consisting of a combination of academics from different relevant disciplines and senior persons from the private sector, public sector, and the civil society sector capable of speaking knowledgeably about their perspectives.

A key objective of the case studies is balanced, accurate and nuanced accounts, analysis, and discussion of "lessons learned" for use by all interested parties. It is also anticipated that accounts developed in such a way may be perceived as more grounded than single perspective accounts, and hence be drawn on more readily as a basis for improved public policy, business practices and community action, by parties in the public, private and civil society sector. With the support of the Social Science and Humanities Research Council, the Department of Foreign Affairs and International Trade, and several participating universities, and the cooperation of the companies whose operations are the subject of the case studies, this project tests the multi-perspective and collaborative CSR case study methodology through the development of THREE case studies; the Maricunga mining operations of Kinross Gold Corporation in Chile, the mining operations of Golden Star Resources in Ghana, and the Paracatu mining operations of Kinross Gold Corporation in Brazil. Hevina S. Dashwood and Bill Buenar Puplampu conducted the research on Golden Star Resources in Ghana, Kernaghan Webb is responsible for leading up the research on Kinross in Chile, working with Dante Pesce, Rajiv Maher and Revital Goldhar, and Benjamin Bradshaw and Gustavo Oliviero conducted the research on Paracatu in Brazil.

This case study examines GSR's mining operations in Ghana, West Africa, which consist of two separate mining and processing operations, Golden Star (Bogoso/Pretea) Ltd., and

Golden Star (Wassa) Ltd. The purpose of the case study is to identify the Corporate Social Responsibility (CSR) issues that arise out of large-scale mining in a low-income developing country through analysis of one case study, GSR, and to identify the varying perspectives that come to bear on how these issues are interpreted and potentially resolved.

The remainder of this section will provide a description of GSR's operations in Ghana, and the balance of this report is organized as follows: Section 2: Methodology; 3: Conceptual Approach to CSR in the Ghanaian context; 4: Institutional context (overview of Ghana's economy, the mining industry, regulatory framework, government policy on mining); 5: Sources of contention with respect to mining (mining legacy, general problems that typically arise over mining); 6: Multi-perspectives on issues pertaining to mining (NGO, industry, local community, government); 7: Identification of issues specific to GSR (GSR's response, wider community's views, views of community immediately affected by GSR's operations); 8: Analysis and conclusions.

## *1.2 Description of GSR*

Golden Star Resources Ltd ("GSR") is an international gold mining and exploration company, focused primarily on mining, mine development and exploration in Ghana, West Africa. The company also has gold exploration interests elsewhere in West Africa, in the Guiana Shield of South America and in Brazil. GSR is listed on the Toronto Stock Exchange, New York Stock Exchange and as of January 2008, the Ghana Stock Exchange. In 2009, GSR produced 409,902 oz of gold, a 38.5% increase over 2008, when 295,927 oz of gold was produced (company data drawn from GSR's Annual Reports unless otherwise specified). Gold production in 2007 and 2006 was 246,278 oz and 201,400 oz, respectively. In 2007, GSR increased its reserves from 4.15 million oz (2006) to 4.93 million oz, due to the acquisition of the Hwini Butre and Benso properties that was followed by a positive feasibility study.

GSR owns and operates the Bogoso/Prestea and Wassa mines, which are located along the Ashanti Gold Trend in the Western Region of Ghana (see map). The mines are approximately 300 kilometers from the capital city, Accra. GSR presently (2009) holds the largest area of mineral rights (including exploration and mining rights) along the Ashanti Trend. Other companies operating in the area include Newmont Mining Company, AngloGold Ashanti Ltd. and Gold Fields Ltd.

Prior to 1999, GSR was an exploration company. In 1999, the decision was made to transform the company from an exploration company into a gold producer, and the Bogoso Gold Mine was purchased. In 2001, GSR acquired the Prestea underground mine and Prestea surface rights. These properties now form Golden Star (Bogoso/Prestea) Ltd. GSR took advantage of the commodities downturn to acquire the Wassa mine in 2002 as the core asset of Golden Star (Wassa) Ltd. In 2005, GSR bought the Hwini-Butre and Benso (HBB) properties, and developed the Benso and Hwini Butre Mines that started delivering ore to the Wassa processing plant in 2008 and 2009, respectively. The Bogoso/Prestea Operations and Wassa mines have their own processing facilities, which are approximately 40 km apart.

As of December 31, 2009 GSR's direct employees totaled 2099. While the majority of GSR's employees are concentrated at the Bogoso / Prestea (1057 employees and 922 contractors) and Wassa (946 employees and 550 contractors) projects, the expansion of GSR's Wassa project to include the Benso and Hwini Butre mines provided additional employment opportunities to an expanded area within the Western Region. Through GSR's exploration division (71 employees and 115 contractors), it continues to seek additional mineral targets throughout Ghana, in west Africa, and in South America, so offering the potential for employment over a wider area. There are 18 people in the head office (mostly based in Denver) and 7 people work in the Accra office in Ghana. Of GSR's over 2000 employees in Ghana, over 97% are Ghanaian nationals. The Vice-President (VP), Operations, Ghana is Ghanaian, and most of the in-country management is Ghanaian. The senior (Board level) executives, most of whom are based in North America, are a range of nationalities.

For ease of understanding, the following section will deal with a description of the Bogoso/Prestea Mine and then of the Wassa Operation.

#### 1.2.1 *Bogoso/Prestea*

Golden Star (Bogoso/Prestea) Limited (GSBPL) is a 90% owned subsidiary of Golden Star Resources Ltd. (GSR), with the Ghanaian Government owning the remaining 10%. Bogoso/Prestea operates the Bogoso and Prestea mining leases as a single operation providing ore for the Bogoso processing plant. The Bogoso Lease (95 km<sup>2</sup>) is to the north of the Prestea lease (129 km<sup>2</sup>), which are close to the towns of Bogoso and Prestea, respectively, in the Prestea Huni Valley District of the Western Region. The Prestea Huni Valley District was established in

2008 and has its administrative capital at Bogoso, which is about 35 km west of Tarkwa also in the Western region. The Pampe project is situated approximately 5 km to the North West of the town of Bawdie, which lies on the main Tarkwa-Kumasi Road, and 16 km north of the Bogoso Processing Plant. As of February 2010, for the Wassa operations, mining is occurring at the Benso, Hwini Butre and Wassa mines and for the Bogoso / Prestea operation, mining is occurring in the Buesichem and Chujah Pits.

GSBPL uses standard open pit mining methods to extract its ore reserves, including drilling, blasting, excavation and transportation of the ore to the processing plant. Mining on the Bogoso and Prestea concessions varies according to the mine plan, often with plant feed coming from more than one pit. Bogoso/Prestea produced 120,216 ounces of gold in 2007, 170,499 ounces in 2008, and 186,054 oz. in 2009, an increase of 9.1% over 2009. The Prestea underground mine was closed in 2002 and options for reopening the mine are being evaluated by GSR.

Test work undertaken into the most appropriate gold recovery techniques for the Bogoso/Prestea ores showed that the oxide ores can be processed by the conventional Carbon-in-Leach (CIL) method. However, gold recovery from the transition and sulphide ores is more complex and requires a multi-staged process. Following crushing and grinding, a flotation circuit produces a sulphide concentrate that is fed into a series of BIOX<sup>®</sup> reactors where bacteria are used to oxidize the sulphides and liberate the gold. The oxidized material is then neutralized (pH increased by adding lime) and the gold is then recovered by a conventional CIL process.

The Bogoso processing plant has a capacity of 3.5 million tonnes per annum and uses BIOX<sup>®</sup> bacterial oxidation technology to treat the refractory sulfide ore. Together with the oxide processing plant, Bogoso is now able to process all the types of ore found on the Bogoso and Prestea concessions. The Bogoso oxide processing plant has a capacity of 1.5 million tonnes per annum. The Bogoso sulfide and oxide processing plants have a combined capacity of 5.0 million tonnes per annum.

The oxide (carbon-in-leach) processing plant was placed on care and maintenance in the third quarter of 2008 due to a lack of oxide feed. The company expects to restart the oxide processing plant once the Prestea South mine is developed. Before the Prestea South Project can

come into production, a public hearing within the catchment communities has to be conducted by the Environmental Protection Agency (EPA), the request for an environmental permit needs to be approved, and the construction of a 10 kilometer section of access road from the Prestea South Project to connect with the existing mine haul road needs to be completed.

The tailings disposal facility at Bogoso/Prestea consists of four areas: TSF 1, which is inactive and is currently being decommissioned; TSF II cell 1 /2 for CIL tailings; TSF II cell 2A for CIL tailings and TSF III cell for flotation tailings. The total area is about 380 ha with 60 ha in active rehabilitation (Thorpe and Oboro-O'ferrie, 2009). Independent engineering reviews of the tailings disposal facility are carried out quarterly to ensure the safety of the facilities.

### 1.2.2 *Wassa*

The Wassa operation consists of a processing plant at the Wassa site, the Wassa pit and two satellite mines, one each at Benso and Hwini Butre located about 52 km and 80 km, respectively, from the Wassa processing plant. The Wassa mine produced 126,062 ounces of gold in 2007, 125,427 ounces in 2008 and 223,848 oz. in 2009, a 78.5% increase over 2008. The Benso mine began producing ore for the Wassa processing plant in 2008 and the Hwini Butre Mine entered production in 2009. Ore from the three mines (Wassa, Benso and Hwini Butre) is processed at the Wassa plant using a conventional carbon-in-leach method. A 76 km access road was constructed in 2008/09 in order to transport the ore from the Benso and Hwini Butre mines to the Wassa processing plant. The Wassa CIL processing plant generates about 7,000 tonnes of tailings per day, which are pumped as slurry to the tailings disposal facility behind the processing plant. As at the Bogoso facility, the deposition technique involves spigots, which deposit the tailings on beaches, and the supernatant is collected in a pond and then pumped back to the processing plant for re-use. The Wassa Tailings Storage Facility (TSF) covers approximately 116 ha and is expected to last the remainder of the mine life (Thorpe and Oboro-O'ferrie, 2009).

## **2. Methodology**

### *2.1 Methodological Approach*

This research draws on institutional approaches in order to arrive at an understanding of the factors that shape and influence CSR policies and challenges (Campbell, 2006, 2007). As with most countries, the political, economic and social context in which Ghana is situated is critical to understanding the issues that arise out of the presence of large mining operations.

Institutional approaches are helpful in understanding the organizational attributes that influence a mining company's approach and commitment to CSR. Sociological institutionalism provides insights into the value system of local communities, which shape their perception of mining and mining companies, and the role that such companies should/should not play in their communities.

Consistent with the larger research project of which this study is a part, the research sought to incorporate multiple perspectives into the analysis of mining in Ghana. This approach is a valuable tool for identifying differing perspectives on the part of various actors with respect to mining. However, the authors do not assume that by identifying different perspectives, a means will be found for resolving any conflicts through consensus seeking. In fact, given structural features of the institutional context, and perhaps most critically, the different ontologies that may influence thinking within local, rural-situated communities, large gaps between different perspectives may not easily be narrowed.

## *2.2 Research Design*

Consistent with the larger project of which this study is a part, the authors conducted a single case study of a Canadian mining company, Golden Star Resources (GSR). Due to the fact that GSR presently operates mines solely in Ghana, and that the two operations, Bogoso/Prestea and Wassa, share similar ownership characteristics and are in close proximity to each other, the authors decided to study both operations.

In order to gather evidence on the perspective of the mining company, the authors conducted in-depth, open-ended yet focused interviews at different times. A total of 20 employees at senior management and executive levels were interviewed, sometimes jointly with both authors, and also separately. On-site interviews were conducted in March/April, 2009 and October 2009. Telephone and in-person interviews were conducted with senior executives on 5 separate occasions between November 2008 and October 2009. Further information on the company perspective was gleaned from company documents, including GSR's Annual and Sustainability Reports. NGO and government perspectives were gathered by conducting in-depth interviews with a select (and at this stage, small) number of carefully chosen individuals considered to be key representatives of their particular perspectives. For example, senior officials were interviewed in the Minerals Commission and the Chamber of Mines, and several

directors of NGO groups were interviewed, including the Wassa Association of Communities Affected by Mining (WACAM), the Third World Network and Integrated Social and Economic Development (ISODEC). (Identities of all interviewees have been kept confidential, in accordance with the ethics protocol of the funding agency, the Social Sciences and Humanities Research Council –SSHRC.) Interview data were supplemented with documents/reports issued by NGOs, government, industry associations, and the Commission on Human Rights and Administrative Justice (CHRAJ). The CHRAJ 2008 report on mining in Ghana is contentious, because much of the information provided is heresay and not independently verified. While the authors take note of this concern, we nevertheless feel the CHRAJ report serves as an indicator for the sorts of issues communities are concerned about and its findings are consistent with the concerns raised by anti-mining NGOs. It can thus be seen to be a useful pointer to the NGO perspective on issues pertaining to mining. Secondary sources in the academic literature and media reports were also drawn upon.

In gathering community perspectives, the authors sought to determine how mining is perceived by individuals living near the mines. The Bogoso concession has 11 settlements/communities, and the town of Bogoso is the largest settlement with a population of 8,659 (Ghana Statistical Service, 2002). The Prestea concession has 5 settlements, including the town of Prestea, which has a population of approximately 22,000. The Wassa/HBB concessions have 6 relatively small settlements. Using a small questionnaire (attached as Appendix 1), the researchers explored perceptions at Bogoso/Prestea and Wassa, where some 542 individuals were asked about their views on mining and their community, and about GSR in particular. There are several Community Mine Consultative Committees (CMCCs) in the Bogoso/Prestea concessions and the authors met up with two of these representing the Prestea and Bogoso areas that are currently active. At the time of the initial field work, there was one CMCC in Wassa (there are now three established, one for each of the three Wassa mines), which the authors met up with. Within this CMCC, there are sub-committees responsible for employment, farming and crop valuation. These interviews provided valuable information from the representatives of those directly affected by GSR's mining operations.

### *2.3 Limitations of Approach and Design*

Consistent with the protocol of the larger research project, permission of the mining company was sought before commencing research. GSR's condition for participating in the project is to review all reports stemming from the research, reserving the right to withdraw its consent to the project at any stage. GSR oversaw all arrangements for interviewing company officials and CMCCs. Notwithstanding obvious concerns about objectivity, the authors determined that the privileged access to company officials, mine sites and CMCCs outweighed the disadvantages. Furthermore, willing participation of the company made it possible to ascertain the company's perspective, an essential research objective of the larger multi-perspective research project.

The authors are aware of the limitations around ascertaining a single NGO perspective or single community 'voice' on issues surrounding mining and GSR in particular. Nevertheless, the authors believe they have managed to capture, through their research, a representative reflection of the various perspectives. The large survey sample data of randomly selected people is useful for determining broad community perceptions about the impact of mining. Interviews with community representatives in the CMCCs supplemented the survey data, by allowing the authors to assess the effect of GSR's activities on those directly affected by them. Although the CMCCs are set up by the company, and the author's access to them was controlled by the company, the authors nevertheless found the data gathered to be consistently relevant as there were instances of both critical comment as well as commendations on/for some of the activities of the company. Both positive commendations and critical/negative comments were organized around common themes which were found to repeat themselves at both Wassa and Bogoso and across the street level surveys as well as the focus group interactions with CMCCs.

### **3. Conceptual Approach: CSR in the Ghanaian context**

Ghana has a long history of CSR activity by both large and small companies (Ofori, 2007). This is backed up by much anecdotal evidence of companies engaging in what Ofori describes as a 'haphazard indulgence in corporate good works...' (p.67). Among a host of other community and CSR related activities, companies adopt hospital wards, renovate school buildings, donate computers and bicycles to local authorities, organize soup kitchens for homeless and street children and support sports tournaments and initiatives.

Much as these activities are welcome, they often tend to address the symptoms rather than the causes of abiding institutional, systemic and national limitations and weaknesses in governmental and other frameworks for social coverage and catering for the most vulnerable in society. This is more so in the extractive sector, because of the non-renewable character of hard rock mining. CSR, variously defined (Gawel, 2006; Bird, 2004) recognizes that organisations have a greater responsibility to society beyond generating economic returns. They have a responsibility to address the consequences of their operational activities, ensure they are compliant with legal regimes and regulations, and that they treat their stakeholders and credible interest groups with due regard, respect, and attention to human and social rights. Organizations operate in a stakeholder aware society (Maak and Pless, 2006).

Various sections of society contribute in various ways to the cohesion, peace and stability of human existence. As they do so, they perhaps come to expect that others will recognize the contributions and reciprocate. This constitutes a measure of mutual responsibility that is neither gift-based/voluntary (as in one chooses to) nor optional (as in by not engaging in said responsibility, nothing much is 'lost'). Rather, it represents a statement of human responsibility towards man in the bid for sustainable mutual coexistence –captured by the Akan-twi motto (<http://www.wacam.org/>) of WACAM: '*asetena pa*', which means proper/acceptable co-existence. The CSR challenge for companies, governments, NGOs and communities is to agree on what '*asetena pa*' means in specific contexts. The CSR challenge is reflected in reactions to the report of the Commission for Human Rights and Administrative Justice (CHRAJ, 2008) on the state of mining communities in Ghana, which documents community views on the impacts that extractive industries have had on the communities and areas in which they operate. The Commission notes that several complaints, challenges, and infractions have come to its attention. These challenges include: access to water resources and water pollution, royalties, blasting, dust pollution, safety and security, health and respiratory diseases, resettlement, employment and livelihoods disrupted. The report largely echoes the concerns raised by NGOs, yet the mining industry perceives the report as one-sided, where many of the allegations were not properly investigated to prove their veracity. In short, the CHRAJ report is contested, much as the nature of CSR in the developing country context is contested. It should be noted that Golden Star Resources is not involved in any cases that are before the CHRAJ.

The CSR challenges specific to the developing country context cannot be addressed with corporate philanthropy alone. They require an investment in the social and infrastructural capital (of the areas affected) by both the State and the corporations in question. One major aspect of the CSR challenge is that many communities, industry watchdogs, advocacy groups and NGOs suggest that after over 100 years of mining in the Western, Ashanti and Eastern Regions of Ghana, the communities and areas have precious little to show. Much like the rest of Ghana, there remains a high incidence of poverty, the road infrastructure is poor and health problems are endemic.

A critical CSR issue in the developing country context is where the line should be drawn between the responsibility of mining companies and the responsibility of State institutions or public sector organizations. The challenge for mining companies is to seek a consensus for the activities within their stakeholder communities that will assuage the sense of injustice felt by communities. As noted by Merali, (2006), the CSR literature and thinking appears to suggest that CSR is supposed to be practiced by private, profit oriented organizations. In the experience of mining communities, there certainly is a degree of disaffection with the State machinery in how its various institutions ensure the protection of stakeholder rights and interests. The CSR challenge in the mining sector in Ghana, therefore, is a combination of the private sector not being able to address all the community requirements and inaction and/or inadequate action by the State sector. These two realities together create responsibility difficulties as the mining companies should not replace the state but communities feel that the mining companies are not contributing sufficiently in the local context.

In light of these responsibility difficulties, the traditional approaches to CSR are insufficient. There is a greater need for crafting a sustainable, strategic, and mutually beneficial set of responsible actions. Such actions should emanate from a genuine recognition of, and attention to, economic, traditional, historical as well as business arguments from the perspectives of the stakeholders and interest groups. The conceptual foundation of this Case Study, therefore, rests on the proposition that corporate actors need to adopt sustainable CSR strategies that go beyond philanthropy and entail sustainable practices appropriate to a developing country context. Such an approach needs to be carried out in partnership with the state that will ultimately benefit from and be responsible for infrastructure improvements in the longer term.

## 4. Institutional Context

To address the institutional context, we briefly examine Ghana's economy, mining in Ghana and institutions mandated to regulate mining.

### *4.1 Ghana's Economy*

Ghana's economy is not different in structure and process from that of other developing countries. Its main exports are gold, timber and cocoa. The currency is the 'cedi' (GH¢) which in July 2009, trades at about GH¢1.45 to US\$1. Up to 57% of the 11-13 million in the active labour force are engaged in agriculture. Ghana has a growing services sub-sector (finance/banking, tourism, education and telecoms), which accounts for about 29% of formal employment; industry, including mining and other extractive/processing activities account for between 10-14% of employment. It has per capita income around US\$500 per annum, budget revenues of about US\$4.2bn and expenses of about US\$5.4bn. Annually, therefore Ghana depends on development partners, donor agencies and international financial houses for various loans, grants and aid that are designed for two main objectives: budget support and development assistance. Agriculture (including cocoa) and services provide about 37% of GDP each, with the balance taken up by industry/processing. The country's external reserves (both gold and foreign exchange) are estimated to be no more than US\$3bn (each year). In 2007, Ghana had credit ratings of B+ from credit rating companies Standard & Poors and Fitch. Real growth in Gross Domestic Product (GDP) has averaged around 6% over the last 4 years. It has a teledensity of about 20% (counting mobile as well as fixed lines).

Notable events in the country's recent economic history include: opting for the HIPC (Heavily Indebted Poor Country) initiative in 2001/02, which has led to significant debt relief and imposed a measure of fiscal prudence and discipline. Ghana floated a sovereign bond (2007) on the London exchange that was heavily oversubscribed and yielded US\$750M, targeted mainly for infrastructural development (the first sub-Saharan African country outside South Africa to access international finances in this way). In 2007/08, offshore oil was discovered in commercial quantities. Structurally, the economy is still heavily reliant on cocoa, raw mineral exports, foreign exchange remittances in to the country by Ghanaians in the diaspora, and donor aid.

Foreign Direct Investment (FDI) still features by 2006/07 estimates, at a low 1.15% of GDP (World Bank MIGA, 2007). However, due to political stability, Ghana is increasingly attractive

to investors and is, therefore, witnessing a rising trend in FDI, which according to UNCTAD (2006), had grown to about US\$500m/year. These FDI inflows have come from across the spectrum of possible economic activities from services (eg. Banking), to manufacturing to telecoms and mining. The latest major inflow (2008) was the purchase of 70% of the state's interests in the telecom giant Ghana Telecom by UK based Vodafone for an estimated US\$900M.

#### *4.2 Official government policy on mining*

Since the late 1980s, the official policy position of the Government of Ghana on mining has been to encourage active involvement of the private sector and of large multinational concerns in the development of the country's large mineral deposits. The legal framework (Mining and Minerals Law PNDCL 153 of 1986, and revised law, Minerals and Mining Act 703, 2006) that regulates the sector in large measure represents the thinking, intentions, aims and policy objectives of the State. These may be summarized as:

- Recognition of land surface rights as held by land owners but below surface resources as held by the State for and on behalf of the people,
- Preference for formalization and State regulation of all mining activities,
- Distributive revenue regime covering royalties, tax, dividend accrued from State carried interest in mining operations (the government owns at least 10% of all private mining operations),
- Appropriate compensations for land acquired, and surface disturbances,
- Requirement for rehabilitation and closure plans and bonds
- Protection of the environment.

#### *4.3 Mining industry in Ghana*

Foreign interest in mining in Ghana dates back over 500 years from the first Portuguese landings in 1471. For over a hundred years, gold mining and trade was one of the principal reasons why the Gold Coast came to be so important in European trade. Until the mid-1800s, gold mining was largely alluvial. Excavatory and extractive mining got underway with the 'discovery' of the country's largest and most productive single mine – Obuasi – in the late

1800s. This led to the establishment of Ashanti Goldfields. The country witnessed three waves of mining: late 1800s, early 1980s and again in the mid to late 1990s.

The mining sector contributes over 5% of GDP with annual revenues in excess of US\$1bn. It contributes, on average, 10% of government revenues each year. In 2006, total government Internal Revenue Service receipts were about US\$523m. The mining sector contributed about US\$53.5m being income tax as well as royalties. The State's main revenue from mining, however, does not come from the actual volume of sales and exports per se, since most of the active mines are owned by foreign companies. Ghana achieves mining revenue through taxes, royalties, and dividends on carried interest shares. The 2007 Annual Report of the Ghana Chamber of Mines lists the following mining firms as active: **Gold** (Abosso Goldfields Ltd; AngloGold Ashanti Ltd; Chirano Gold Mines; Goldfields (Ghana) Ltd; Golden Star Resources; Newmont Ghana Ltd); **Bauxite** (Ghana Bauxite Company Ltd); **Manganese** (Ghana Manganese Company Ltd).

The actively mined minerals include: bauxite, gold, diamonds and manganese. The table below provides an overview of the key players. There are over 20 active mining firms in Ghana. The latest Commission for Human Rights and Administrative Justice (CHRAJ) Mining Report (2008) focuses on seven companies in the mining sector in Ghana. For the purposes of brevity, we provide a description of these seven in Table 1 below, four of which are Canadian. Within the mining sector, there are junior mining firms with small concessions and single operating pits. There are the mid-tier mines that have more than one concession or area of operation but are fairly recent entrants (within last 10 years) to the Ghanaian industry. Then there are the large scale global multinationals that operate mines on more than one continent and command considerable resource and market clout. The Ghanaian mining industry also has the small scale artisanal miners. Those who have been issued licenses by the Minister of Lands and Natural Resources on the recommendation of the Minerals Commission and the Precious Metals Marketing Corporation (PMMC) are considered legal. The PMMC also licenses buyers of artisanal outputs, and no distinction is made as to whether the licensed buyers have acquired their gold from legal or illegal small-scale miners. Those small-scale miners without licenses are illegal and referred to as 'galamsey'.

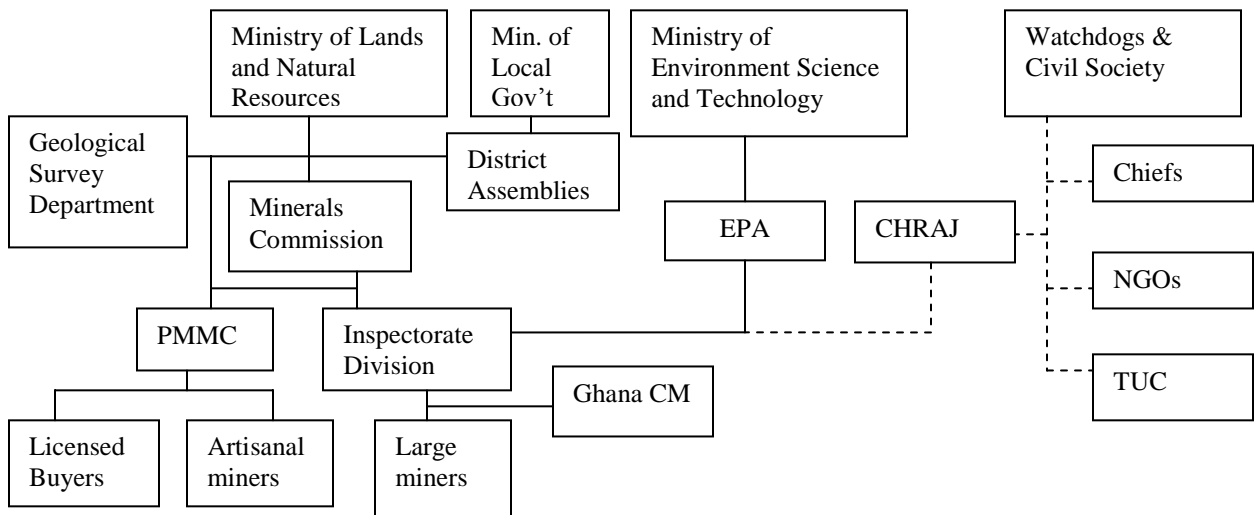
**Table 1 Some mining firms in Ghana, ownership and production volumes**

<b>Company &amp; year main operations acquired in Ghana</b>	<b>Ownership</b>	<b>Product &amp; Operating location in Ghana</b>	<b>Output – 2006</b>
Gold Fields Ghana Ltd; 1993	Gold Fields (South Africa) & IAMGold (Canadian); Government of Ghana (GoG)	Gold; Tarkwa & Damang; Western (forest) Region of Ghana	938,696 ounces
AngloGold Ashanti; 2004 Previous long history of Ashanti Gold in Ghana	AngloAmerican: South African & Ghanaian	Gold; Obuasi, Iduapriem; Western and Ashanti regions of Ghana	620,001 ounces
Golden Star Resources; 1999/2001/2002	Canadian	Gold; Wassa, Mpohor, Bogoso / Prestea; Western Region of Ghana	409,000 ounces (2009)
Newmont Ghana	American	Gold; Ahafo (Brong Ahafo Region); Akyem (Eastern Region)	202,000 ounces
Chirano Gold Mines Ltd; 2004	Red back Mining (Canadian); GoG	Gold; Chirano: Bibiani/Bekwai; Western Region of Ghana	127,196 ounces
Ghana Manganese Company Ltd	GoG & Elkem (Norway)	Manganese; Nsuta, Western Region of Ghana	1.65 metric tonnes
Ghana Bauxite Company Ltd, 1940	GoG & Bosai Minerals Group (Chinese-acquired from Alcan 2009)	Awaso, Western Region	841,775 metric tonnes

#### 4.4 Regulatory framework governing mining

Figure 1 below details the governance, administrative structures, and stakeholder inter-linkages of mining in Ghana.

**Figure 1: Institutions in the structure of Mining in Ghana**



Source: Authors' compilation of variety of sources.

Mineral rights (exploration and exploitation/mining) are issued by the Minister of Lands, Forestry and Mines, on the recommendation of the Minerals Commission (Act 703, Section 5 (1)). The Minerals Commission has the responsibility of administering the law (Act 703, Section 100 (1)). The Inspectorate Division of the Minerals Commission is responsible for mine safety, equipment standards, inspections, and human resource competence levels. It issues visit reports to both the management of the mine as well as the Minerals Commission. Mines have a stipulated time within which to address any issues identified by a report. Failure to take requisite corrective action is punishable by law.

The Environmental Protection Agency (EPA) has broad remit over all environmental issues (not just mining). Its essential remit is to ensure that the Ghanaian environmental policy and planning are implemented and are consistent with the country's desire for effective, long-term maintenance of environmental quality. An environmental permit from the EPA is required before the commencement of mineral operations. In this

regard, the EPA has regulatory control over the effects of mining on the environment. As part of the management of environmental resources, the EPA thus receives monthly and annual environment reports from the mining companies, and carries out site assessments of mining operations throughout the year, to ensure they are meeting their environmental responsibilities.

The Commission for Human Rights and Administrative Justice (CHRAJ) is responsible for ensuring administrative and procedural justice, transparency and accountability in both public and private endeavours. It investigates complaints of violations of fundamental rights and freedoms in both public and private sectors as well as complaints about administrative injustice, abuse of power and unfair treatment of any person by a public officer in the exercise of official duties. Any allegations of human rights abuses, including those involving mining companies, can be reported to CHRAJ for investigation. Golden Star has no current cases before the CHRAJ.

The District Assemblies (DAs) are responsible for district-specific local issues such as planning, rural sanitation and governance, and liaison with security agencies as well as acting as the formal state voice of the local people. The DAs are the executive arm of the State at the local level. Any initiative of a mining firm that extends beyond support for an individual or a family and perhaps involves land, building, schools, or farms, would probably involve the District Assembly.

The Ghana Chamber of Mines is the umbrella association of the private mining firms in Ghana. It works to promote mining interests as well as providing a framework for peer review of mining companies and their actions. Its codes and expectations are however, largely voluntary.

## **5. Sources of Contention with Respect to Mining in Ghana: A Tale of Two Realities**

### *5.1 Mining Legacy in Ghana*

The following section documents the positive and negative effects of large-scale mining on the economy and local communities.

#### *5.1.1 Positive Effects:*

The liberalization of the mining sector in Ghana in the 1980s through the privatization of mining assets and the introduction of comprehensive regulations (Minerals and Mining Law, 1986/PNDCL 153) resulted in an influx of foreign direct investment (FDI) in mining. Success in attracting FDI translated into increased employment in the large-scale sector, growing from 15,069 in 1987 to 22,500 in 1995 (Akabzaa and Darimani, 2001: 15). In addition to the thousands employed directly by large-scale mines, significant indirect employment is provided by mining sector support companies, such as assay laboratories, equipment leasing and sales agencies, security, and catering agencies.

The mining sector is the single largest foreign exchange earner, contributing about 45% of the total foreign exchange earnings of Ghana (Aryee, 2001). The large-scale mining sector accounts for 7% to 9% of total government revenue. In contrast to some other mining jurisdictions in Africa and elsewhere, there is a fair degree of transparency in reporting on royalties paid to the Government of Ghana, which participates in the Extractive Industry Transparency Initiative (EITI). According to the Ghana Chamber of Mines (Publish What You Pay, 2007), producing members of the Chamber paid in 2007 a total of US\$43,226,713 in royalties to the government. The various municipal and District Assemblies (DAs) located in mining areas also benefit through the payment of property rates, which in 2007 amounted to Ghana cedi 7.59 billion (Ghana Chamber of Mines, 2007).

The Chamber of Mines has identified a variety of ‘social multipliers’ that are the direct result of large-scale mining in rural communities (Ghana Chamber of Mines, 2007). These can be itemized as follows:

- **Banking:** The presence of mines in communities such as Tarkwa, Obuasi, and Prestea has encouraged banks to set up local branches in these areas, thereby employing locals and providing services to community-based businesses who would otherwise have to go to the regional capitals for banking services.
- **Telephony:** The need for mining companies to have viable communications services has facilitated telephone and cell phone services to communities living around the mines.

- **Electricity:** Companies have provided transformers, electric poles, cables and other equipment to facilitate the extension of power to mining communities.
- **Infrastructure Development:** The construction of access roads to rural communities, even if intended to benefit mining operations, become important facilities for rural communities, stimulating economic growth and providing improved access to health care facilities in emergencies.
- **Education and Health:** Many schools have been built by mining companies in the typically under-serviced rural areas where they operate, and most schools are maintained by mining companies. Mining companies have also built hospitals and clinics in mining communities to cater to the needs of both staff and community members.
- **Human Resource Development:** Most mining companies have training and scholarship programs, which allow post-secondary students to advance their professional training in mining-related fields, after which they are recruited to work in the mines.

#### *5.1.2 Negative Effects:*

The Bogoso/Prestea area has been affected by mining (as well as forestry and agricultural) activities for over 120 years, with their attendant environmental effects. Along with the benefits that resulted from the latest wave of mining investment that began in the late 1980s outlined above, came a range of social and environmental concerns.

One key difficulty, the loss of jobs in the Tarkwa/Bogoso/Prestea area in the late 1990s and early 2000s, resulted from structural changes in the economics of gold mining world-wide and, therefore, is not specific to Ghana. Gold mining companies moved from mostly underground mines to open pit operations, which employ fewer people to mine the ore. The switch away from underground mining, which was unprofitable at the low gold prices to the more profitable surface mining generated social conflict, because of the ensuing substantial lay-offs as the unprofitable mines closed.

The development of open pit mines requires more land than traditional underground mines, resulting in the removal of operational areas from the land base, such that mining increasingly required land that was part of the agricultural base. By the late

1990s, more than 70% of the land surface in the Tarkwa-Prestea-Bogoso-Abosso-Nsuta axis was under concessional licenses (mostly exploration) to mining companies operating in the area (Akabzaa, 2000: 75). The exploration and development work resulted in six new surface gold mines being developed in the mid- to late- 1990s, creating one of the highest concentrations of mines in the African continent (Akabzaa, 2001: 147). It should be noted that each mine development uses a proportion of the mining lease (which are only a fraction of the exploration leases) for its operations and the other surface users are able to continue their activities outside the operational areas.

Although the change in the mining act to encourage foreign investment produced the desired investment results, steps to protect the environment and human rights of affected communities lagged behind. When mining was liberalized, Ghana was a fledgling democracy that formally transitioned from a military dictatorship to multi-party democracy in 1992. The formal protection of human rights enshrined in the 1992 Constitution did not immediately translate into actual protection for communities adversely affected by mining. On the environmental side, the EPA was not established until 1994 (the predecessor Environmental Protection Council (1974) being subject to political control and having no power of enforcement or independent control). All these events took place before Golden Star Resources entered mining in Ghana and the appropriate regulations were in place when GSR bought the Bogoso mine in 1999.

The increase in the number of foreign mining companies engaged in surface mining in Ghana coincided with allegations of human rights abuses in the 1990s. As local communities reacted to environmental degradation and allegedly forced displacements and loss of livelihood, state security personnel harassed and forcibly moved members of local communities opposed to new mines (Ghanaian Chronicle, 1998). According to Ayine, central and local government authorities are/were complicit in failing to respect the rights of local communities because the central and local government authorities see local communities as obstacles to mining operations (2001: 96-99). The situation was aggravated by the fact that these areas have historically been neglected by the government.

Among the concerns associated with mining development, key social and environmental considerations include land use differences, loss of farmlands and

inadequate compensations,, destruction of sacred and cultural sites, forced evictions or resettlement/relocation problems, land degradation, increased school dropout rate, unemployment, human rights violations, air and water pollution, and spills to the receiving environment.

Readers interested in more detailed information about the positive and negative effects of mining in Ghana may consult the following: Akabzaa and Darimani, 2001; Akabzaa, 2000, 2001; Akpalu and Parks, 2007; Ayine, 2001; CHRAJ, 2008; Gavin et al., 2009; Ghana Chamber of Mines; Hilson, 2002; Minerals Commission of Ghana; Nyame et al., 2009).

## **5.2 Concerns arising from mining in Ghana**

### *5.2.1 Environmental*

The problems that may be associated with surface mining in Ghana include water and air pollution, loss of farmlands, possible settlement, noise, land degradation and changes in land use. The area under study in Western Ghana where mining takes place is characterized by high levels of rainfall, so water shortages associated with mining is not identified as a source of concern. High levels of rainfall poses water management problems for tailings disposal facilities, and the control of run-off from mining areas is required because of elevated concentrations of suspended material in the run-off. Local communities' access to drinking water may be disrupted where small streams or rivers are diverted by construction of mining infrastructure. Gold mining in Western Ghana typically entails the carbon-in-leach and / or heap-leach processes using cyanide. Occasionally, tailings spills have contributed to the pollution of surface water in rivers and groundwater, causing fish kills, which are food source for local people.

Open-pit mining generates dust and noise. Therefore, communities close to open pit operations are resettled or relocated to reduce disturbance. Depending on their proximity to the source, local communities may be negatively affected by the dust emissions. School children, who throughout rural Ghana walk along rural roads to get to school, are especially vulnerable to dust if they walk along the newly developed access and haul roads with the associated heavy truck traffic. Dust associated with mining and

increased haul truck activity, also settles on plants and may reduce yields in vegetation and crops immediately adjacent to the dust source. Ambient noise and ground vibrations resulting from blasting may affect buildings close to operations, resulting in cracking.

The EPA's ability to perform its environmental duties and mitigate the potential adverse effects of mining on the environment has improved over the years. Through the Environmental Assessment Regulations of 1999 (amended 2002), mining companies are required to prepare environmental impact statements and environmental management plans. The EPA's oversight extends to Ghana's forest reserves, through its Environmental Guidelines for Mining in Protected Forest Reserves (2001) regulation.

Where mining is to take place in a working forest reserve (where blocks are logged every 40 years), it must occur under strict environmental controls including developing waste rock dumps outside the reserve and backfilling any mined-out open pit. Any development in forest reserves occurs only after extensive consultation with the regulatory authorities and local communities and is controlled by an environmental certificate issued by the EPA. According to a report issued by the Economic Commission for Africa (ECA), Ghana (and Tunisia) has the best environmental assessment systems in place in Africa, with effective institutions, administrative directive, and a robust framework of laws and regulations (ECA, 2005: 23).

### *5.2.2 Employment*

In a context of depressed gold prices in the 1990s/early 2000s, many of the underground mines were unable to maintain profitability and had to close. During the course of the 1990s, many workers in the main underground mining areas of Tarkwa, Prestea and Obuasi lost their jobs. Partially offsetting this setback was the opportunity to develop low grade deposits along the same mineralized trends which are amenable to surface mining. These new open pit mines brought new jobs to otherwise depressed areas, albeit in lesser numbers than were available at the underground mines.

Recent advances in both open pit and underground mining resulted in the need for more skilled workers, in areas where many people lack education beyond the primary level. The loss of jobs and the inability to find well-paid unskilled jobs have been major sources of discontent in areas where open pit and underground mines are in close

proximity. The migration of people from other areas in the hopes of finding employment with the mining companies exacerbates the unemployment situation.

### *5.2.3 Loss of livelihood and Disputes over Resettlement/Compensation*

The rural areas of Western Ghana in general are characterized by high levels of informal employment; the majority of people are either subsistence farmers or practice a mix of subsistence and cash crop farming. People are generally poorly educated and outside the major centers, infrastructure is typically poor, lacking in facilities and investment. Most people in the agricultural sector can be considered employed, even if not counted as part of the labour force. The primary commercial agricultural activities focus on cocoa and oil palm trees. The growth in the practice of surface mining since the late 1980s has meant the greater disturbance of areas and increased interaction between stakeholder communities and mining operations. Before 2000, some of the people included in resettlement projects may not have been appropriately compensated and their livelihoods were disrupted due to mining.

The procedures for determining how farmers are to be compensated are set out in the 2006 Minerals and Mining Act (Act 703). Under Section 73.3, the amount of compensation is determined by agreement between the parties (farmer and mining company). In the past, the Land Valuation Board (LVB) was responsible for determining the value of crops, but under the 2006 Act, the LVB comes in only if the parties cannot agree on an amount. Concerns about the ability of farmers to represent their interests are real, and procedures to address this concern have not been addressed by the government to date ( new mining regulation to give meaning to the 2006 Act has been drafted but its presentation to Parliament has been delayed with the election of a new government in December 2008 ).

In response to the need for transparency, mining companies operating in Western Ghana generally develop transparent mechanisms to guide their resettlement programs. Most companies, for example, comply with the International Finance Corporation (IFC) Performance Standard 5 on involuntary resettlement.

However, disputes remain around ‘deprivation of use’ compensation, and the compensation farmers get for mature, high-yielding trees. Relocated farmers who must start from scratch must be compensated for loss of income from foregone crop yields.

The ‘deprivation of use’ compensation has yet to be defined and promulgated in the regulations that are required to define how the current Mining Act (2006) is implemented. Farmers compensated for their crops may lack education on how to manage the compensation payments responsibly, and sometimes squander the money forcing them to return to farming rather than being able to take advantage of the cash windfall.

#### *5.2.4 Galamsey Activities*

There is a long history of small-scale mining in Ghana. Since the late 1980s, and the development of open pit mining operations, small-scale miners increasingly came into direct conflict with large-scale mining companies. In 1989, the Ghanaian government legalized small-scale mining (Small-Scale Gold Mining Law (PNDCL 219), and licenses are issued by the Minister of Lands and Natural Resources on the recommendation of the Minerals Commission. However, many small-scale miners operate illegally, some within legal mining concessions, where they know their efforts are more likely to be rewarded. Some holders of legal small scale licenses do not actually mine their own concessions, but work elsewhere as “illegal” miners using their licenses as a cover or shield.

In addition, the local unemployed youth prefer the relatively high earnings that come from galamsey activities than the modest earnings associated with farming. Galamsey mining is very common along most river banks in the dry season in the Western region (a typical example is the River Ankobra). Migrants who come from other areas attracted by the prospect of a legitimate mining job, may also end up working as galamsey operators, and the number of illegal small-scale miners greatly exceeds the number of legal small-scale miners. Galamsey activities are often illegal, frequently dangerous and regularly use child labour, contrary to Ghanaian and international law. The Government of Ghana also loses taxes and other revenues from this underground economy.

The assistance of local police and army personnel have on occasion been deployed to remove people engaged in galamsey mining. Such interventions have sometimes become violent, resulting in allegations of human rights abuses. Galamsey operators who come from outside the areas of the Chiefs’ authority present a problem, because they are not subject to the local Chiefs’ authority, and in fact, serve to undermine

that authority. All the same, there have been instances where the Chiefs have collected money and given out land to migrants or galamsey operators who are not locals but do engage the services of these locals in mining. Of growing concern is the fact that illegal mining is becoming more sophisticated, with the alleged involvement of foreigners or some rich locals who provide equipment to facilitate the extraction of ore.

## **6. Multi-Perspectives on Issues Pertaining to Mining**

The ensuing discussion is based on interviews with the following organizations: Third World Network, Wassa Association of Communities Affected by Mining (WACAM), Integrated Social and Economic Development (ISODEC), Ghana Chamber of Mines, Minerals Commission. In addition, meetings were held with the following CMCCs: Bogoso CMCC (Bogoso town); Mbesse Nsuta CMCC (Bogoso concession); Mamponso CMCC (Wassa). Unpublished material produced by some of the above organizations was also gathered. The following discussion is a compilation of both interview and written materials.

### ***6.1 Government perspective on issues***

In the early 1980s, the then government of Flight Lieutenant Jerry Rawlings, the Provisional National Defence Council (PNDC), undertook an Economic Recovery Programme (ERP) under the auspices of the World Bank and IMF. The mining industry, which until that time was still largely in public hands, was in a state of considerable disrepair. Problems included poor exploration capacity, lack of capital to open up new reserves and poor management practices. In response to Bank advice, mining assets were sold to private interests, and the mining law was revised in 1986 to make Ghana attractive to foreign direct investment in mining. The tax and royalty regime was changed to make Ghana competitive on the world market for foreign investment.

Under the 2006 Mining Act, mining companies pay no less than 3% and no more than 6% mining of gross revenue in royalties; this was adjusted to a minimum of 6% in 2009. Due to high capital allowances afforded mining companies under the law (Mining and Minerals Act 2006, Sections 28 and 29), the payment of royalties is generally 6% of revenues

The Government has at least a 10% free-carried interest in all foreign-owned mining projects in Ghana, and therefore has a stake in the long-term viability of the mining sector. The government sees it as its prerogative to enjoy the profits from mining, and exercises its right to determine how mining revenues are distributed. Minerals are a national asset (Act 703, Section 1) and the Mining Act stipulates that minerals do not belong to owners of land (surface users) but belong, as in most countries, to the State.

The interests/rights of land owners are defined in the 2006 Mining Act (Sections 72-75), together with the dispute mechanisms, which includes the option to take grievances to court. More recently, disputes over mining have become politicized, with MPs campaigning on mining issues with a view to getting elected.

On balance, although some of the negative effects of mining are acknowledged, mining is considered to provide economic value through the identification of new reserves through exploration, the provision of good, well-paid jobs, and the revenues that accrue to government. Those who experience the negative effects of mining are seen to be the ones who engage in protests against mining companies, so opposition to mining is not seen to be widespread, although NGOs that seek to speak for the communities attract a great deal of publicity. Although NGO activism can be irritating, NGOs are understood to have contributed to greater community awareness of their rights and how they should be protected.

## *6.2 NGOs' Perspectives on issues*

### *6.3.1 Human Rights Abuses*

Among the anti-mining NGOs, there is a general consensus that mining companies have co-opted key societal players and have behaved aggressively and with impunity towards local communities. The switch to surface mining from the late 1980s, generated conflicts over land use as mining companies developed operations in agricultural areas and farmers were displaced from their farms. Small scale miners also lost access to minerals when large-scale mining companies were granted concessions. Government is seen to side with the mining companies, and the police and military have been deployed by government to quell protests and to remove galamsey operators from mining concessions. In addition to the violence associated with such confrontations,

there have been reports of deaths and/or injuries, including two injuries in a protest against GSR in 2005. As a result of these protests, there has been an increased police and military presence in mining areas within Ghana, including a permanent military station in Prestea.

While there does not appear to be a shortage of land for farming, the encroachment of surface mines into Ghana's working forest reserves is a major concern voiced by NGOs. Encroachment takes the form of roads constructed to haul ore for processing, and the removal of forest areas to open up new mines.

### *6.3.2 Inadequate Compensation and Lack of Transparency*

There is concern that for every job created by mining, many more livelihoods are lost. The compensation regime for farmers whose crops are destroyed is deemed by the NGOs to be woefully inadequate. As per the 2006 Mining Act, compensation for deprivation of use is negotiated between the parties (the company and the farmers), and this process may be characterized by a lack of transparency although Golden Star publishes its crop compensation procedures and negotiates crop compensation rates with community and farmer representatives. Where disputes arise between the parties, the matter is referred to the Minister of Lands and Natural Resources, who by law, must consult the Land Valuation Board (LVB) to determine the amount to be paid (Section 73.3). However, the LVB does not publish crop values.

As at 2008, the approved crop rate suggested that a mature cocoa tree was worth GH¢10.08 and the value of an acre of cocoa (the most common cash crop) was GH¢5,483.52. In 2008, the GH¢ traded at par with the US\$. In 2009, there has been some depreciation, and the Ghana cedi stands at GH¢1.45 to US\$1. It is, therefore, not surprising that there are contentious voices around the valuation and compensations to farmers and farming communities, especially where the cash crop cocoa are concerned. Again, draft regulations aim to address the problems surrounding valuation, but the change of government appears to have delayed them being brought before Parliament.

### *6.3.3 Lack of Representation and Poor Regulatory Oversight*

There is a strong sense that mining companies are able to co-opt government agencies, including the Environmental Protection Agency (EPA). The EPA is variously seen as either lacking the capacity to effectively monitor mining companies' environmental effects or as subjected to a regulatory chill that makes it dis-inclined to refuse applications for mining permits even where there are outstanding environmental concerns. This is in spite of the fact that the Economic Commission for Africa (ECA) indicated that Ghana (and Tunisia) has the best environmental assessment systems in place in Africa, with effective institutions, administrative directive, and a robust framework of laws and regulations (ECA, 2005: 23).

Chiefs in the local communities (who hold the land in trust for the people in rural areas) are thought to be bought through the offer of contracts and the promise of material benefits such as new palaces. NGOs claim that, notwithstanding the consultations conducted through the EPA approval process, free, prior and informed consent is absent.

NGOs see their role as giving voice to the concerns of local communities, which are seen to be powerless. (It should be noted that educated individuals from mining communities organized their people to protest against some of the issues well before the NGOs came in.) Elected representatives are felt not to adequately represent the interests of their constituents, and the District Assemblies, which are the local government, are seen to be co-opted by the mining companies. NGOs assist with articulating community concerns and demands, and also seek to bring diverse voices within civil society into the policy-making process around mining. The Centre for Public Interest Law (CEPIL) represents persons who wish to take their grievances to court. In short, NGOs engage in direct community activism, while also seeking to influence national mining policy. A key dimension of such a national strategy is for the government to provide the means for small-scale mining to operate viably alongside, but not in competition with, large-scale mining.

#### *6.2.4 NGO concerns specific to GSR, as reported in the media*

GSR has been accused of polluting/destroying streams because of the construction of one of its pits, including the Akyesua, Nana Nyabua, Worawura and Abogyese

streams, which have dried up (Environment News Service, July 25, 2006). At Prestea, located beside the Plant North Project, GSR's operations reportedly destroyed a stream which deprived thousands of drinking water, including the Prestea government hospital. One often repeated claim is that a little girl was thrown from her bed as a result of the blasting, suffering permanent brain damage. In July 2005, demonstrations took place in Prestea in protest over the adverse effects of GSR's operations in the area. The government called in the military, which is supposed to have fired on the demonstrators, wounding several people, according to the National Coalition on Mining (August 6, 2006).

### *6.3 Industry perspectives on issues*

Based on the issues raised by the GSR corporate executives interviewed, the public pronouncements of the Ghana Chamber of Mines as well as its annual reports, it is clear that industry perspectives on mining coalesce into four major areas of concern.

#### *6.3.1 Tax income and contribution to other government revenue*

The mining industry wants to demonstrate that its activities generate significant revenue for the Government of Ghana. As noted earlier, mining contributes 5% of GDP and generates 10% of Ghana's revenue inflows through taxes. The sector is keen to show that these contributions are important to Ghana's economy, especially since other contributions: royalties, compensations and dividend from carried interest shares are set out differently. (Royalties constitute more than 50% of the 10% government revenue generated from mining.) The conceptual argument of industry is that the economic contribution is necessary – the country cannot afford to be without mining.

Since it started mining in Ghana in 1999, Golden Star has paid over \$100 million in taxes (including import taxes and PAYE) and royalties to the Government of Ghana. During 2009, Golden Star Resources paid over \$10 million in royalties alone.

#### *6.3.2 State responsibility for local social services and physical infrastructure*

The mining industry is concerned that government does not take responsibility for social services and basic infrastructure. They argue that there is a disproportionate use of

state revenue derived from mining on cities, towns and projects far removed from the rural and disadvantaged localities where mining takes place. Mining firms suggest that they cannot metamorphose into social service providers and they expect central and local government to discharge the responsibility for fixing roads, and providing social services more effectively.

### *6.3.3 Human Rights*

In its official response to the CHRAJ report, the Ghana Chamber of Mines expressed concerns that the report merely restated stories of people alleged to have suffered human rights abuses, rather than conducting independent investigations into the allegations (Ghana Chamber of Mines, 2008). Although CHRAJ invited mining companies to submit their comments for consideration in the report, their comments were not included in the report, so the industry feels that the report is unbalanced. A serious omission from the CHRAJ report is the fact that galamsey operators carry out armed attacks against employees of mining companies. As such, mining companies feel they are entitled, as are all citizens of Ghana, to call upon law enforcement agencies when people and properties are under attack.

### *6.3.4 Self regulation and CSR*

Mining firms are recognizing the CSR impetus and suggest that they are policing themselves and learning from each other through adopting industry standards and best practices. The case study company GSR, in particular, has demonstrated its commitment to continually adapt its CSR approaches. It has adopted a more community sensitive and demand-driven policy of addressing local economic and development needs. This is what led GSR to initiate the award-winning Golden Star Oil Palm Plantations Limited Project (GSOPP), the US\$1 for every ounce of gold sold deposited into the Golden Star Development Foundation, as well as the CMCCs (see Section 7 below). The Ghana Chamber of Mines is aware that adverse environmental effects negatively affects the public's confidence in the mining industry's ability to manage its environmental impact, and therefore has an incentive to track the performance of its members, and exert peer pressure to improve practices where environmental performance is wanting.

In 2007, producing members of the Ghana Chamber of Mines made the following socio-economic contributions as part of their commitment to local communities: Education: US\$1,010,246; Health: US\$565,596; Electricity: US\$458,797; Roads: US\$609,146; Water: US\$220,876; Housing: US\$618,531; Agro-Industry: US\$386,668; Agriculture: US\$743,937; Sanitation: US\$262,863; Resettlement Action Plans US\$4,503,381 (Ghana Chamber of Mines, Publish What You Pay, 2007).

#### *6.4 Local community perspectives*

Across many mining communities in Ghana and other developing countries, the views, concerns, and complaints have perhaps become something of an institution in itself. In this regard, mining communities are defined more in terms of communities proximate to or affected by mining activities (Viega et al 2001) than communities created directly as a result of mining activities or mining booms. In Ghana, these community perspectives include:

- the sense of injustice about the treatment of owners of surface rights on the back of mining rights
- the persistent expectation that mining firms would employ local people and completely transform the local economy
- the sense of injustice felt when mining operations dislocate the local economy in favour of people who migrate into the community
- the view that illegal miners have the right to engage in their trade since they must earn a living
- the right of the local community to provide or withhold the ‘social license’ for mining operations
- the need for mining firms to maintain good relations with mining communities
- concerns around the environment – focusing more on matters such as health problems of members of the community and contaminated drinking water etc
- skepticism about company imposed social mitigation initiatives and a preference for community led projects

Do these perspectives find expression in the case of the Wassa and Bogoso communities in which GSR operates? We address this question by drawing on the results of our street level interviews and discussions with GSR's CMCCs in Section 7 below.

### *6.5 Gender Perspectives*

Women are known to be negatively affected by mining in ways that are gender-specific and are mostly the product of Ghanaian societal norms. Due to the low status of women in rural communities (men are head of the household, land is held by men, limited say in decision-making), their interests often get over-looked or are not well represented. With the exception of galamsey operators, where entire families dig for gold, most of the unskilled jobs in mining go to men. When Chiefs express concern about the need for more jobs for unemployed youth, they are referring to unemployed young *men*. The higher incomes that mining jobs bring encourages prostitution, and young women are at risk of unwanted pregnancies when they are wooed by men with some money to throw around.

Although many women are farmers, their relationship to the land is mediated by their husbands/male relatives, and ultimately, the Chiefs. If the husband receives a compensation package for destroyed properties and spends the money irresponsibly, his dependants (women and children) may find themselves on the street. Although this project did not specifically set out to study the impacts of mining on women, it is telling that none of the NGO representatives interviewed volunteered the issue of gender and mining as an important topic of concern. The same is true of government and industry representatives (but not the company, see below).

## **7. Identification of issues specific to GSR**

The following is a brief summary of the main issues linked to GSR.

### *7.1 Jobs*

Following its acquisition of the Prestea Underground Mine from the bankrupt State Gold Mining Company, GSR put the unprofitable operation on care and maintenance, resulting in 1,750 redundancies, which were completed with full severance.

This generated much hardship and resentment in a community marked by high levels of unemployment and poverty even before the closure of the underground mine. Many of these people were hired back by the company, with a net job loss of around 1,300 people. Notwithstanding efforts on the part of GSR to hire locals, there is an on-going perception that outsiders are being favoured in hiring at the expense of locals.

## *7.2 Galamsey Operators*

Allegations have been made against GSR with respect to human rights abuses, which were reported to have occurred when the police and/or military were called upon to remove galamsey operators from GSR's concessions during a government effort to stop illegal mining activity. Media reports from the mid-2000s cited complaints about the "violations of community rights" at Bogoso, and criticized GSR for being "irresponsible and arrogant" (Ghana News Agency, August 13 and August 24, 2005).

## *7.3 Environment*

As described by WACAM, "the human rights violations and environmental problems of Bogoso Gold Ltd. have been a source of conflict between the communities and the company for a long time" (Ghana News Agency, October 24, 2004). A tailings spillage in October, 2004 in the Bogoso concession caused particular discontent among the affected communities. In June 2006, there was a second tailings spillage, reportedly polluting the Ajoo Stream, a tributary of the Apepre River, which flows into the large Ankobra river (Ghana News Agency, 29 July, 2006). The Dumasi community (population of 2088), is downstream from the plant site, and was affected by both spills. The community claims that the stream is no longer fit for drinking. GSR installed boreholes and a water treatment system that now provides potable water to the community. Golden Star continues to maintain the Dumasi water supply and is working to reach a negotiated resettlement agreement with the Dumasi community to provide access to the mineral resources in the Dumasi pit. Exposure to particulate matter and dust is another environmental (and health) concern, as the fine dust is breathed into lungs and settles on crops, affecting their productivity.

## *7.4 Ambient Noise and Vibrations*

The opening of a pit within a few hundred meters of the town of Prestea led to demands that the entire town be relocated. Residents complain in particular of the noise and vibration from blasting.

### *7.5 Resettlement and Compensation*

In light of GSR's desire to expand the Dumasi pit, which is about 200 meters from Dumasi, the community has been working with Bogoso/Prestea with the aim of reaching a negotiated resettlement agreement acceptable to all stakeholders. GSR has faced strong opposition from some elements within the community over its desire to resettle the village, but the recent conclusion of the socioeconomic survey advances the process towards negotiations. All work is being completed to achieve the requirements of IFC Performance Standard 5.

## **8 GSR's Response**

GSR emerged from the early-2000s with a poor reputation among the local stakeholder communities. The key challenge for GSR was thus to improve its relations with stakeholder communities. An internal review of community relations practices provided the company with the insight that it would be important to learn to work and live with its stakeholder communities. Doing so entailed the development of a 'sustainability' policy and establishing procedures to address the range of environmental, social and economic issues surrounding its operations.

By 2005, GSR had experienced considerable expansion; having added Wassa and Hwini-Butre-Benso (HBB) to its original acquisition of Bogoso in 1999 and Prestea in 2001. In 2005, senior management decided to increase GSR's competency across the board, in finance, project development and technical services. The decision also included the creation in 2006 of the VP, Sustainability. There are nine people in senior management, including the CEO and there is a Sustainability Committee of the Board of Directors, which was established in the early 2000s. GSR first began releasing annual "sustainability" reports in 2007 (for the 2006 reporting year).

### *8.1 GSR's Vision of its Responsibilities:*

GSR's CSR reports do not provide a definition of "sustainability", but sustainability is understood as the contribution GSR makes to a sustainable economy. GSR adds economic and social value in the following ways:

1. Provision of training: jobs in mining are transferable within and without the mining industry. Drafts persons, heavy duty mechanics, design engineering, accounting and skilled operators are all examples of skills acquired through jobs in mining (non-skilled people make up less than 10% of GSR's work force).

GSR provides extensive training to both its own employees and within the larger catchment area. GSR considers this training to constitute a lasting contribution to the local and national economy. Training at the Bogoso/Prestea operations included apprenticeships (10), female operator training (9), industrial attachments for graduates (68) and support for the national service program (50) (numbers are for 2007 reporting year). GSR sponsors employees for postgraduate degrees and professional courses (15), for training at the Anglo-Gold Ashanti Engineering Training Centre (55) and defensive driving and road safety management (107). At Wassa, employees received training in the area of safety management (5), First Aid (7), blasting (5) cyanide management (9) and supervisory training (1) (GSR, 2008).

2. Provision of jobs: employment at the mine improves the socio-economic status of the workers, providing a better life for the workers and their families.

3. Career opportunities: less than 50% of the site management are expatriates and >97% are Ghanaians

4. Wages: approximately \$50 million paid annually in wages.

5. Income tax: the area in which GSR operates pays the highest amount of income tax of the entire country (Executive 1).

The royalty rate for 2009 was 3% of revenues, as laid out in Ghana's Mining Act (last revised in 2006) and in 2009 GSR paid \$10,309,200 in royalties. Bogoso/Prestea paid

US\$5,863,627 in royalties in 2008, \$2.6 million in 2007, \$1.9 million in 2006 and \$1.8 million in 2005. Wassa paid US\$3,078,938 in royalties in 2008, \$2.7 million in 2007, \$1.5 million in 2006 and \$0.9 million in 2005. From January 2005 until the end of March 2009, a total of \$11.8 million was paid in royalties from the Bogoso/Prestea mine and a total of \$10.2 million from the Wassa mine (Daily Graphic, May 18, 2009). According to the VP, Operations, Ghana, the significant increase in annual payments is the result of the \$400 million GSR has invested in new mines and production facilities, as well as increasing gold prices.

Total payments to the government of Ghana (PAYE, SSNIT, VAT, Import duties, Royalties, Fees, Permits, Licenses, Withholding tax, Stamp duties, National Stabilization Levy) by Wassa and Bogoso as of February 2010 were \$43,084,831 and \$64,514,180, respectively since GSR acquired the operations.

## *8.2 Organizational responses*

Two main organizational responses can be seen from GRS' work to improve its relationships with the stakeholder communities. Firstly, the CSR agenda is established from the level of top executive leadership; the company took Board level decisions for its management to be more directly involved with the communities where it has operations. Secondly, GSR enhanced the organizational structures associated with community relations by forming specific Community Relations Departments at both Bogoso and Wassa.

Additionally, as part of the outreach to the stakeholder communities, Community Mine Consultative Committees (CMCCs) were initiated. Initially, one CMCC was established for each site, and then they were expanded to incorporate the various traditional areas that were affected by GSR's operations.

Bogoso and Wassa each have a General Manager, plus five or six sectional managers. Each mine has a Community Affairs/Sustainability Department and an Environmental Department. The Community Affairs and Sustainable Development Department at Bogoso was established as a separate functional unit in 2005, and is led by a Community Affairs Manager. The Environmental Department at Bogoso was created in 1999, the year GSR acquired the mine, and has an Environmental Manager (~~Executive~~

4)—At Wassa, the Community Affairs functions were incorporated to function within the Human Resources Department in 2003; there is a Manager of Human Resources and Community Relations. In response to a broadening of operations, Wassa established the Environment Department in 2009, under the guidance of the Environmental Superintendent (position created February 2009); the environmental management function was previously part of the Environment, Health and Safety (EHS) Department. Ghanaian Managers were then appointed to head these units. Safety within GSR is overseen by the Group Safety Manager and the VP, Sustainability. The Group Safety Manager position was created in 2009.

### *8.3 GSR and CSR*

The following is a brief summary of the major initiatives GSR has undertaken since 2006 in order to foster improved community relations (see GSR's Sustainability Reports for more detailed information, GSR, 2007, 2008).

#### *8.3.1 Social/Community Policies*

To further dialogue and communication with the local communities, Community Mine Consultative Committees (CMCCs) have been established at the Bogoso and Wassa mines. The CMCCs provide a forum where community members can voice their concerns to GSR, and are composed of the Chief's representatives, the District Assembly representative, a woman's representative, youth representative, "opinion leaders" and farmer's representative. The CMCCs meet regularly, so providing a two-way communication forum.

GSR invests US\$1 per ounce of gold produced into the Golden Star Development Foundation (Development Foundation), which was established in 2006. Total investments in the Development Foundation are over US\$800,000. Once the CMCCs have been established and the appropriate training provided to community and committee members, requests for development funding are initiated by the communities and are locally driven, with assistance from the appropriate GSR Community Affairs Department. Initiatives funded by the Development Foundation include schools, electricity poles, health clinics, nurses quarters, assistance with medical equipment and other community-requested infrastructure. Other community initiatives include the

installation of community water supplies to dozens of communities across GSR's operating areas (see Table 2). (See Appendix 1 for detailed itemization of GSR's community projects.)

The Golden Star Oil Palm Plantation (GSOPP) is a major alternative livelihoods project that was launched in 2006. The GSOPP is a subsidiary of GSR, but its mandate is to provide economic development through the development of a sound business founded on existing community skills with a focus on providing long-term economic stability to areas affected by GSR's operations that will endure beyond the operational mine lives.

Oil palms are native to Ghana, and conditions are ideal for growing this plant. The plants bear fruit quickly, within 18 months, and can then be harvested and sold for processing. At the moment, there is no processing plant as part of the project, and the possibility of a locally-owned plant is under consideration. The project is based on the smallholder model, with each farmer receiving 4 hectares to cultivate. The land, which is owned by the Chiefs, is pledged to GSR for the purposes of developing the plantations. The Chiefs receive a 5% royalty on the production of fresh fruit bunches once the land is placed into full production. GSR works in conjunction with the Chiefs in determining who should be allocated land. An independent consultant hired to review the project in 2007 noted that human rights could be violated if the project limits the access of farmers to farmland for food cropping (GSR, Sustainability Report, 2008). In response, GSR implemented a program that allows farmers removed from the land to have access to other areas for food cropping and guarantees them participation in the GSOPP scheme. An on-going priority is to increase the amount of re-claimed land used for the plantations, thereby decreasing the dependence on farmers' lands.

One key objective of GSOPP is to provide alternative livelihoods to people needing to be relocated as a result of GSR's operations, and to provide employment to youth and people who might otherwise be engaged in *galamsey* activity. The broader social objective is to reduce poverty through employment generation, generate economic improvements through sustainable agri-business and provide livelihoods that will benefit present and future generations after the mines have closed. As of February 2010, over \$2 million had been invested in the project, and 732 hectares had been planted.

**Table 2: Total Value of Initiatives Funded by the Golden Star Development Foundation, by Year.**

<b>Year</b>	<b>Value (US\$)</b>
<b>2006</b>	
<b>2007</b>	
<b>2008</b>	\$295,900
<b>2009</b>	\$409,000

**Table 3: GSOPP Achievements as of February 2009**

<b>Achievements to February 2009 (unless otherwise indicated)</b>	<b>Units (as indicated below)</b>
<b>Oil palms planted:</b>	<b>692 hectares</b>
<b>Oil palm seedlings raised (2007/08)</b>	<b>104,000</b>
<b>Expenditure to February 2009</b>	<b>US\$1.65m.</b>
<b>Contract employees (February 2009)</b>	<b>286</b>
<b>Average daily wage</b>	<b>GH 5.65</b>
<b>Total land pledged</b>	<b>14,000 hectares</b>
<b>Total land offered</b>	<b>9,800 hectares</b>

**Source: GSR, Power Point Presentation, March 31, 2009.**

### *8.3.2 Gender*

Although GSR lacks a formalized policy on gender and mining, it has taken a number of initiatives to assist women. Within senior management, professional women can be found on the management team. Within the communities, there is at least one women's representative on each of the CMCCs, whose role includes bringing specific concerns of women to the company's attention. Within the GSOPP plantations, families, and more specifically women, are encouraged to inter-crop fruits and vegetables between the young oil palm trees. Such intercropping constitutes an important source of family income. In the lengthy consultations with the residents of Dumasi over resettling the

village, special focus groups were set up, including one specifically for women, to allow discussions of their concerns.

### 8.3.3 *Environment*

GSRs environmental certificates provide clear guidance on the Environmental Protection Agencies (EPA) requirements for the operations. These include but are not limited to waste management, environmental monitoring, and environmental reporting, which is required for all operations in the monthly returns to the EPA and in an annual report. Additionally, the regulatory authorities carry out inspections throughout the year of GSRs operations.

Since acquiring operations in Ghana, and especially since 2006 after the organizational changes outlined above, GSR has taken steps to systematize its environmental monitoring and reporting procedures. In 2006, GSR signed the International Cyanide Management Code (the code), as part of its efforts to come into conformity with international standards in the handling and use of cyanide. Regular inspections are carried out to ensure appropriate water levels are maintained within safe limits on the tailings disposal facilities, and a detoxification plant was built at Bogoso/Prestea to treat excess water from the tailings disposal facilities (GSR Sustainability Report, 2008). In 2008, GSR had the cyanide sections of tailings disposal facilities reviewed at both Bogoso/Prestea and Wassa by an external third party (a consulting engineer), as part of a pre-audit evaluation of its mines under the ICMC.

Dust (particulate matter) is suppressed through routine watering, and attempts are made to minimize the effects of blasting with blasting practices and oversight committess consisting of GSR representatives and members of the stakeholder communities.

GSR back fills some of the open pits that have been mined out, in order to restore the land and manage potentially reactive waste rock. In 2007, a total of 19 hectares of land was planted with 17,433 tree seedlings. At Wassa, 22,200 tree seedlings were planted on 17.4 hectares of rehabilitated land. Wassa is converting some of the rehabilitated land to growing oil producing plants, and 16,200 of the 22,200 tree seedlings planted were *Jatropha*. Wassa sees this as an opportunity to provide ongoing income for local communities, without affecting the ability of the local population to

provide food. In 2008, roughly 50% of disturbed land available for rehabilitation was converted into oil production.

All GSR operations have rehabilitation and closure plans that are approved by the EPA. The EPA also requires an environmental bond to be established for the rehabilitation and closure work. As part of the ongoing environmental management, concurrent rehabilitation is carried out at GSRs operations so that as land becomes available, rehabilitation is carried out. Local communities are consulted and their input incorporated into GSRs rehabilitation and closure plans.

#### *8.4 GSR's Perception of Issues*

The process of addressing community's concerns is complex, and mediated by the prevailing socioeconomic conditions within the stakeholder community, which can include poverty, low education levels, and differences goals and aspirations both within the community and between the community and the mine employees.

From the corporate perspective, many local people employed in agriculture want to work GSR. This is despite the fact that the company directly supports about 20,000 people through its employees and contractors and indirectly, through spin-off work, supports an estimated additional 40,000 people for a total of 60,000 people. However, the operational requirements for mining require skills and abilities that are not always available locally and the number of unskilled positions is limited. GSR has published and implemented a transparent local hiring policy that gives preference to local people who are qualified for positions. Additionally, GSR posts job notices in the stakeholder communities to provide stakeholders with the information on available positions. Local applicants for positions are then screened initially and the list of people short-listed is posted along with their community. This allows stakeholders the opportunity to identify people coming into the area and claiming to be from a stakeholder community.

GSR also works with the local traditional leaders to identify people of working age residing in the area that may be available for unskilled jobs. For example, contract jobs are offered to local people on the GSOPP plantations to clear and maintain the land between the oil palms. Other contracts may be given to the Chiefs, so that they may determine who should be hired within their traditional areas.

The other key area for GSR is access to the land required for operations and the compensation associated with obtaining that access. Each year, GSR meets with the local farmer's representatives to negotiate the crop compensation rates for the coming year. These negotiated rates are then used to compensate farmers for the coming year. As required, the Land Valuation Board may be used to assess farms to ensure that crop valuations are completed fairly to both parties. GSR's crop compensation policy provides clear guidance as to how farms are valued and is available to the farmers as well as their representatives. GSR's stated policy is to maintain farmers on their land as much as possible. However, GSR remains under pressure from farmers to compensate lands that are not currently required; farmers prefer the compensation money to remaining on the land. Speculative farming and building, where an area identified for operational purposes is either planted with crops or buildings are constructed remains an ongoing concern. In one such area near Dumasi, cocoa seedlings were planted in their polythene seedling bags so that they could be removed following compensation for use elsewhere.

There was considerable rancor in the press about compensation rates, much of it originating from the elected members of parliament. However, this was not directed at GSR but at compensation in general. The draft regulations to the Mining Act, if promulgated would require the LVB to provide crop compensation rates annually. However, in the interim and to provide a transparent method to calculating crop compensation, GSR has contracted a consultant based at the Kwame Nkrumah University of Science and Technology in Kumasi (in the Ashanti Region of Ghana) to develop a formula for determining how deprivation of value is to be compensated.

In general, land is not privately owned by individual farmers, but by the Chiefs, who hold the land in trust for their people. Individuals rent the land from the Chiefs with normally an up-front payment to occupy the land and then a proportion of the crop is paid to the Chief as an annual rent for the land. The agreement between the Chief and the tenant is a private matter and is not disclosed. Where compensation for crops or structures is concerned, GSR pays the farmer the agreed to amount for the improvements (crops or structures) or resettles the community according to the IFC PS 5. Any other agreement between the Chief and the tenant is not included in the compensation

agreement. However, occasionally, there are complications that arise between the community and the Chief but GSR does not intervene in private or community disputes.

Galamsey (small illegal mining) on large mining concessions is a concern to GSR. Previous efforts to work with small miners proved too challenging. However, GSR maintains the position that Galamsey activity is against the law and, as a legal matter, should be addressed by the appropriate regulatory authorities.

GSR has identified communication with stakeholder communities as a key driver in community company relations. As such, GSR has Community Affairs Departments at the operations, which work with the local communities. The CMCCs are a key part of this communications protocol and they provide a key conduit for operations to understand community concerns. Within the communities on the cyanide transportation route, education programs and first response training are given in the event that there is a traffic accident involving one of the cyanide transport trucks.

GSR uses the IFCs Performance Standard 5 for land acquisition and involuntary resettlement, entailing extensive consultation with communities. The company has been working to reach a negotiated resettlement agreement with the Dumasi community since late 2006. The process is ongoing and, with the completion of the socioeconomic evaluation, it is expected that the asset survey and negotiations will follow. The overall process was complicated by the fact that the community was without a chief for two years, so there was a lack of community leadership. There is now a new Chief, who supports the negotiated resettlement process.

## *8.5 Community Perceptions*

Based on the interviews carried out with some 542 respondents (313 at Bogoso and 229 at Wassa Akyempim), we find a range of perspectives and concerns. These mirror the local community issues we raised earlier. We find that the community point out both negative and positive effects of GSR's presence. The balance of both positive and negative effects that the communities readily articulate provides a measure of confidence in the findings as representative of the extant community reality.

### *8.5.1 Positive Effects*

GSR's operations have expanded the local economy, and improved access to goods and services, including mobile telephony and electricity. The community noted that the mine has provided a library, clinic, football field, community centre, some boreholes and a school. GSR built a local police station at Akyempim and renovated the one at Prestea as part of a development agreement. However, members of the local community consider this a self-interested investment; a police station means the mine's assets will be better protected against illegal activities and a police response to concerns can be completed more quickly.

### *8.5.2 Negative Effects*

Polluted water bodies, loss of farm lands, a ban on illegal small scale mining, teenage pregnancy (relatively affluent mine workers who take advantage of local girls) respiratory diseases, overused roads, problems with local accommodation due to higher rents, open pits or trenches that collect water, deforestation and cracks in buildings as a result of blasting are the main direct negative effects noted by respondents.

### *8.5.3 Community Perceptions of What GSR should do Differently*

When asked about what GSR should do for and with the local community, respondents suggested a number of solutions that read like a shopping list:

- Rehabilitate roads
- Provide employment to local youth and support education
- Provide potable water
- Provide more clinics and schools and a major hospital
- Provide some education and reorientation to people who receive compensation to enable them know what/how to utilize the compensation monies
- Relocate the town (of Prestea) to distance it from the harmful effects of the mine's activities (this was a point stressed by many respondents)
- Make company buses available to local people to assist local transportation.

The community's responses reflect the tension between what is properly the responsibility of mining companies, and what is the responsibility of government in a developing country context.

### *8.6 Views of Community directly affected by GSR initiatives*

We had frank exchanges with CMCCs and local representatives, including traditional leaders who provided a combination of positive and negative views. We conclude that for these two mining areas (Bogoso and Wassa), the initiatives of GSR to improve its social responsibilities and engage the communities have not led to the cynical situation where the communities or their representatives may appear to have been 'bought out' by the mine.

From the interactions with the CMCCs, we gather that the communities directly affected by mining accept that GSR's presence is at once helpful and problematic. Nearly every initiative of GSR has unresolved issues. For example, employment: the mine has brought in employment. However, they note that many times, local youth do not even know of job openings at the mine, and mine officials appear to collude with non-indigenes by falsifying their origins to enable them to secure jobs. They therefore suggest that GSR needs to have an audit process in place to check and verify local origins of prospective applicants for the jobs 'reserved' for locals. (GSR's protocol for posting employment opportunities and assessing applicants is outlined above and is specifically designed so that the local communities audit the prospective applicants.) They further assert that many locals are 'contract' staff rather than permanent employees, thus depriving them of a range of benefits and cover reserved for permanent employees.

Concerning education, the people at Wassa, for example, are happy with the scholarships for children and with the bonus package for teachers in the village schools but in the same breath, suggest that the environmental challenges confronting the community renders some of these initiatives insignificant.

They accept that the mine has brought in electricity and the GSOPP project is good. However, they raise the issue that much of the land for the GSOPP initiative is fresh land provided by the Chiefs – not reclaimed land. They would wish more land is reclaimed. They feel GSR has promised to reclaim and use land for oil palm, but without

giving firm time lines. (GSR has committed to a rehabilitation and closure plan that is approved by the EPA and addresses operational and community needs in its end land use plan. Community input to the closure plan is incorporated following community meetings to discuss closure. As these areas are the tailings disposal facilities, they will only be rehabilitated at the end of the mine life.) The community would wish the mine would practice more preferential treatment in giving small time contracts and services to local entrepreneurs.

## **9. Discussion and Conclusion**

The following discussion is organized around themes that the authors feel arise from the various issues/perceptions discussed above.

### *9.1 CSR initiatives in the broader developing country context*

We earlier on indicated that much CSR in the developing country context may be described as haphazard philanthropy at best. It is unlikely that CSR initiatives in developing areas would ever satisfy the many interest groups and stakeholders for whom extractive industry activities present difficult conundrums. That said, the CSR literature examines a company or industry's CSR behavior from a variety of perspectives. These include the extent to which:

- Companies demonstrate responsible behavior towards the communities in which they operate
- Environmental concerns are factored into company planning and are actually attended to through activities
- Companies pay attention to economic development challenges of the developing areas and thereby move beyond mere asset stripping business (Bird, 2004) to value addition and economic growth.

These sensibilities are now captured in the notion of the triple bottom line approach to business (people, planet, profit) ([http://en.wikipedia.org/wiki/Triple\\_bottom\\_line](http://en.wikipedia.org/wiki/Triple_bottom_line); January 26, 2010).

Earlier, we also noted that CSR theorists are equally concerned about the consequences of business operations on communities during, and after such operations. Obviously, marrying or facilitating a coexistence of interests between business and developing areas has never been easy. The standards of ‘judgement,’ however, always consider how CSR initiatives address some or all of the issues reflected above and also perhaps the balance of corporate intentions as the organization goes about conceiving, structuring, executing and delivering on its CSR initiatives. In other words, whether one is referring to an oil firm in Nigeria, a mining firm in Brazil or a paper mill in a depressed area in a northern country, the standards of CSR remain the balancing act between business returns, community health, safety and voice, environmental responsibility, economic returns and enhancements and the sustainability of economic life after the firm is gone.

The following headings reflect some of the key dilemmas encountered in delivering CSR in a developing country context, as illustrated by the specific case of GSR.

## *9.2 Distribution of benefits of mining*

A major challenge posed by the mining sector is the realization of the equitable distribution of the benefits of mining. At one level, the equitable distribution of benefits is a problem of governance. GSR is open and transparent about the royalties, taxes and other monies it pays to the Government of Ghana. The Ghanaian government participates in EITI, and GSR publishes what it pays under GEITI. However, there is little tangible evidence in the communities immediately affected by mining of those royalties (a case in point being the very poor road from Tarkwa to Bogoso). This reality presents a dilemma for mining companies, in that they are blamed for the poor state of public roads, lack of infrastructure, poor health care facilities, etc., which ordinarily are a government responsibility.

In light of the poorer rural areas in which mining takes place, GSR contributes to local infrastructure through the Golden Star Development Foundation, which sponsors the construction of community-driven projects including schools, clinics, and the

provision of electrical poles to facilitate connecting communities to the national electricity grid. GSR recognizes that doing so is part of its social responsibility to the community, and the Development Foundation provides a direct contribution by ensuring that the projects are community-driven, thereby responding directly to the priorities of the local communities.

These contributions have been acknowledged by the communities. However, an involved and engaged approach may require that GSR takes a value-chain perspective to the provision of some of these amenities. For example, having constructed the Benso haul road to the Wassa processing plant, school children are now being exposed to dust as they walk to and from school each day on the road cut out by the mine. The dust pollution arises from the constant stream of mine and other vehicular activity on the road. To address this, Wassa carries out extensive watering of the access road, which, it is believed, is the only public road in the Western Region to receive such dust suppression. All other public roads are not watered for dust suppression.

Difficult as it is, the mining company conundrum of providing for communities cannot be easily resolved until there are noticeable uplifts in the general quality of life of people who live and work in mining communities. From our research, we gather that GSR is conscious of this and has increased the watering of the roads in the villages along the Wassa access road so suppressing the dust. The community may seek a bus to transport school children but this is not an easy solution as in the longer term, the road will not be used by the mine and watering the road and the provision of the bus will cease. It is in light of such complex possibilities, that we suggest the localized community-based round-table dedicated to iterative dialogue and various pressing matters (see concluding section below).

GSR has some limited control over how the benefits of mining are distributed. However, there may not be easy consensus within the stakeholder communities as to how this might be accomplished. For example, it was very important to one Chief interviewed that GSR attempt to employ people in such a manner that each area within its concessions has a roughly equal number of people employed by the company. The Chief felt that not enough people from his area were being hired by the company. However, when GSR proposed to the CMCCs that they come up with a quota system for hiring in each area,

they were opposed to the idea, preferring that GSR offer work to the best people. GSR gives priority to people within its stakeholder communities (those communities adjacent to operations or infrastructure that are directly affected by operations *e.g.* Subriso, Akyempim, Dumasi) in its hiring decisions. In an area characterized by poor standards of living, the dividing line between who should benefit and who should not can be difficult to establish. Mining companies see their responsibilities to be towards those communities directly affected by their operations. This can create resentment, when a community does not get a paved road while a neighbouring community does. In such a context, the line between whether the company or the government is responsible becomes easily blurred.

The distribution of royalties is governed to some extent in that 20% of the royalties are assigned. In 1992, the Mineral Development Fund (MDF) was set up, and it, along with the Office of the Administrator of Stool Lands (OASL) each receives 10% of mining royalties. So, the practice over the years is that a portion of mineral royalties is made available to be used for the benefit of the communities where mining takes place. The formula by which the OASL distributes the 10% revenue to the stools, traditional council and district assemblies is governed by Article 267 (2) (a) of Ghana's constitution. This article has been reproduced in Act 481 (1994), under which the OASL was established. Notwithstanding this practice, the revenues have not translated into visible results for the local communities as the government uses the distribution to replace central government support and not in addition to established levels of support. To address this problem, a MDF bill was laid in Ghana's Parliament in January 2010. The bill, if passed into law, will regulate the disbursement and use of the royalties received from mining.

### *9.3 Representation and Voice*

In the rush to turn public mining companies over to private hands and attract FDI in mining from the late 1980s, little attention was paid to the rights and needs of the local communities directly affected by mining. Neither the local District Assemblies, nor the national Government of Ghana appeared to make any attempt to take into account how communities might be affected by an expansion of mining. By the same token, the

World Bank, which actively promoted and encouraged the opening up of Ghana's mining sector to FDI, appears to have given no consideration to how the rush to open Ghana up to foreign mining companies might affect the goal of poverty alleviation and the rights of local people. It was not until the mid to late 1990s before there was a serious push towards industry self-regulation in the mining sector to address the weak prevailing regulatory framework, and to promote internationally accepted best practices for community involvement and development.

NGOs have moved adeptly into the regulatory void so as to raise awareness and 'speak' on behalf of the communities negatively affected by mining. It is not always clear, however, whether or not the priorities of NGOs are the same as those of the communities. For their part, communities do not necessarily speak with one voice, so that like any community, there are different interests and views at play. Local NGOs, are often driven by the need to obtain external funding (from Europe or North America) and therefore may espouse positions that will secure their funding but are not necessarily in line with community priorities. The question is to what extent NGOs in their voice and advocacy campaigns cover the spectrum of issues that are of concern to communities – beyond the obvious issue of the environment.

#### *9.4 Corporate Social Responsibility and sustainable corporate action*

Since 2006, GSR has undertaken a number of actions to improve its CSR performance. A central focus of its efforts has been to improve community relations. It is clear that GSR understands that it has a responsibility to add social and economic value to the stakeholder community, and not just engage in random acts of philanthropy.

Different understandings of what GSR's role within the community should mean that GSR continues its efforts to both understand the local community and educate them on the broader business of mining for gold. The differences in aspirations and education between the mining population in Ghana and the general population in which they operate will continue to provide challenges to both parties. The ongoing commitment of both operations and stakeholders to work to resolve identified issues is likely to continue through to the end of the mine life. The commitment by both parties to communicate and

resolve issues will result in a better understanding both within and between the various stakeholder groups.

The clearest example of GSR's effort to add social and economic value is the GSOPP, which has the potential to provide sustainable livelihoods to people well after the mines have closed. The GSOPP project is a unique CSR initiative in the Ghanaian CSR space. Its main value is in deriving the impetus more from the community, the people, their natural 'habitat' and their natural economic inclinations (farming). It also departs from the tendency to provide social infrastructure and amenities in the typical palliative effort (schools, bore holes, sponsorships). It is, instead, a project that is possibly self-sustaining and economically viable with real prospect of improving the standard of living of the participating communities. The project perhaps sits well with the value-adding approaches to CSR that some academics and industry watchers have argued for. The essential argument of the value-addition approach is that firms operating in developing areas have a responsibility to safeguard and promote the social, financial, human and community capital that they come to be entrusted with – by virtue of their operations. Key to the effort to safe guard and promote such capital, would be initiatives that create economic linkages within the communities that have the potential of enhancing extant resources. This helps the mining firm (for example) to go beyond mere extraction to building sustainable economies by which communities can survive beyond and apart from the extractive process. GSOPP meets this standard by securing for, and with, the communities the possibility of an oil palm economy that is natural to the local area. Obviously, the additional benefit is in the GSOPP's intention to reclaim some of the land used by the mining operations through the GSOPP project.

Having initiated a viable project such as GSOPP, the company needs to continue working to address the constantly shifting dynamics of community expectations and demands. By working with its stakeholder communities, GSR has gained an understanding of the significance to local stakeholders of farming and the land and has responded structurally within the company and in practice through its evolving responses to issues and concerns.

At the present time, it is hoped that the organizational level changes and internal ethical architecture that is being crafted by GSR may provide it the ability to sustain responsible action through to the rehabilitation and closure of its operations.

### *9.5 Symposium of mining companies, communities, NGOs and Government*

The issues this case study has identified are representative of many challenges found in mining communities in developing areas. The voices and perspectives are varied and are often a mix of both hard socioeconomic and political realities as well as emotional psychological sensibilities. We find that there seems to be a need for industry players (companies and the Chamber of Mines), the communities, the advocacy groups, such as NGOs and the State (through its local government), to form a round table that takes the critical issues from an end-to-end approach. Such a round table (or series of round tables) would operate at a community level where mining takes place. These round tables should be locally driven by the District Assembly, with State support but without operating as another State organ.

Given that there are many voices and interests in the extractive sector, locally driven concentric and iterative dialogues (which come to be seen as a localized institution within the context of mining, mining actors and activities) should allow for localized platforms for attention to and resolution of varied issues and matters arising. Our point here is that, much as there are common strands in the issues raised by communities (at both Wassa and Bogoso), the mining operation at Wassa (and at Bogoso) would need to work on their emergent issues with their particular interest groups in an on-going iterative fashion. GSR is engaged in this sort of localized round table process on a smaller scale with the Dumasi resettlement project, where all stakeholders are involved in reaching the solutions to the resettlement challenges. Applied more broadly, such an approach would seek to identify which actor can usefully be responsible for what action, initiative or statutory responsibility, and determine how other actors may support it. The aim being to alleviate poverty, enhance and uplift life and distribute mining returns in such a way that provides lasting solutions.

We find that in the current argumentative space, the fall-out is simply ongoing poverty and the evident disconnect between possessed wealth and realized wealth due to a range of community, company and governance factors. Furthermore, such a process might attenuate the current disjuncture between community perceptions of mining, and the efforts of companies such as GSR to develop and implement appropriate CSR policies and practices. Acknowledging that fostering economic, social, and environmental value through mining is a shared responsibility would help move the discussion beyond allegations and unbalanced targeting of a single actor, towards identifying solutions to on-going problems.

## **Conclusion**

The case of GSR in Ghana is obviously an interesting one. Our findings as researchers suggest that GSR has advanced on a continuum of responsibility and responsiveness to the CSR challenges and realities. If a historical approach is taken, we can clearly see that from difficult community relations in the early 2000s, GSR has by 2009 chalked significant progress in relating to its community and stakeholders. If an absolutist approach is taken – in respect of what the company is doing or not doing – it is again evident that it has carried out a variety of CSR initiatives covering the entire spectrum of possibilities: building schools, sponsoring students, supporting community projects, providing jobs. Looked at from a sustainability perspective, GSR has embarked on a project (GSOPP) that should most certainly be regarded as milestone in the sustainability drive. The project is sustainable beyond the mine, it contributes to the local economy in a sustainable way although the full or net impacts are yet to be derived (realizable from the time the palm plantations start bearing fruit and GSOPP moves into processing or sale of palm fruit). Organizationally, GSR's approach suggests that its efforts at CSR are now firmly located in the firm's strategic agenda, thus boding well for the corporate sustainability of CSR.

These forward and progressive possibilities notwithstanding, we conclude that the balance of evidence suggests the CSR journey for GSR is perhaps only now truly beginning. Pockets of agitation around the company's promises to reclaim land and the ever shifting sets of community expectations mean GSR needs to continually engage and

reengage with all relevant actors. Importantly, we conclude that within the Ghanaian space, the CSR challenge requires greater State sector commitments to State sector responsibilities within mining communities.

## Appendix 1

### Community investments through 2008.

Area	Cost (US\$)
<b>1. Detail by month of community development spending including:</b>	
<b>a. Medical clinics</b>	
<b><u>1999</u></b>	
Rehabilitation of Bogoso - Clinic	20,000
<b><u>2004</u></b>	
<b><i>Project Cure - Supply of Medical equipment</i></b>	44,000
Prestea Huni Valley District ( Bogoso, Dumasi, Himan)	
Wassa Mpoho District - Hospitals	
Wassa West District - Hospitals	
Wassa Amenfi East District - Hospitals	
Shama Ahanta East District - Hospitals	
Kede in the Eastern Region - Hospitals	
Kole Bu Teaching Hospital - Hospitals	
<b><u>2005</u></b>	
<b><i>Project Cure - Supply of Medical equipment</i></b>	44,000
Prestea Huni Valley District ( Bogoso, Dumasi, Himan)	
Wassa Mpoho District - Hospitals	
Wassa West District - Hospitals	
Wassa Amenfi East District - Hospitals	
Shama Ahanta East District - Hospitals	
KeleBuTeaching Hospital - Hospitals	
Construction of New Anfegya Weighing Centre	23,679
5 plastic drums to the nurses quarters for Bogoso health clinic.	-
Compassionate Donation to Nana Akua Akoma to her Medical Bills	659
Government Hospital - (Project Cure Allocation) - Prestea	15,000
Towards the first phase of the 2005 Immunization Programme.	329
<b><u>2006</u></b>	
<b><i>Project Cure - Supply of Medical equipment - Prestea Government Hospital</i></b>	44,000
Prestea Huni Valley District ( Bogoso, Dumasi, Himan)	
Wassa Mpoho District	
Wassa West District	
Wassa Amenfi East District	
Shama Ahanta East District	
KeleBuTeaching Hospital	
1-Ceiling fan. 5-Flurescent tube (4f). 5-Complete Fittings - Bogoso	
Donation of 32 water containers (rubber) - Prestea	
5 plastic drums - St James Foundation -nurses quarters for Bogoso health clinic.	
Compassionate Donation to Tufuhene to her Medical Bills - Himan	220
Compassionate Donation to Abusuapayin to her Medical Bills - Himan	1,647
Compassionate Donation to Nana Akua Akoma to her Medical Bills - Himan	663
Compassionate Donation to Nana Gyetuah Brimpong to her Medical Bills - Himan	552
<b><u>2007</u></b>	
Project Cure - Supply of Medical equipments - Prestea, Wassa Amenfi, Mpoho, Ahanta, Kelebu	44,000
<b><i>Subtotal</i></b>	<b>238,748</b>
<b>b. Libraries</b>	
<b><u>2005</u></b>	
Town Library Project - Bogoso	52,677
Fencing of Town Library Phase I - Bogoso	13,000

Area	Cost (US\$)
<u>2006</u>	
Fencing of Town Library Phase II - Bogoso	22,000
Furnishing of Town Library - Bogoso	1,918
<b>Subtotal</b>	<b>89,595</b>
<b>c. Books</b>	
<u>2005</u>	-
Amenfiman Secondary School - Books Donation	-
Cambridge Preparatory & JSS School - Books Donation	-
St. Augustine's Senior Secondary School - Books Donation	-
Bogoso Methodist School - Books Donation	-
St. Augustine's JSS - Books Donation	-
District Council Primary - Books Donation	-
Prestea Catholic District Primary - Books Donation	-
Methodist Primary - Books Donation	-
Cambridge Preparatory & JSS School - Books Donation	6,037
<u>2006</u>	
Donation of Books and furniture to Golden Star School	1,098
<b>Subtotal</b>	<b>7,135</b>
<b>d. Schools</b>	
<u>1999</u>	
Construction of Golden Star School Block - Akokobediebro	45,000
<u>2005</u>	
Day Care Centre - Mbease Nsuta	25,000
<u>2006</u>	
Building of Child Care Centre - Kwame Niampah	25,000
Prestea Secondary School Classroom Block & Staff Common Hall -Prestea	54,600
120 Bags of cement for Prestea Secondary Technical	659
In support of the only woman offering Msc in Mining Engineering	25,357
Wassa Fiase Traditional Council Educational Fund - Tarkwa	4,940
Donation of Cash to SDA School - Prestea	55
Towards their e-learning and IT programme - Bogoso	5,488
<u>2007</u>	
Prestea Sect Tech Classroom Block Phase 2	91,499
<u>2008</u>	
6-Classroom double varandah office & block	79,170
<b>Subtotal</b>	<b>356,768</b>
<b>e. Scholarships</b>	
<b>f. Soccer teams</b>	
<u>2000</u>	-
Construction of Football Field - Bogoso	35,000
<u>2005</u>	
Fencing of Town Park - Phase I - Bogoso	13,000
Sports Donations # I - All communities	40,000
<u>2006</u>	
Fencing of Town Football Park 2 - Bogoso	20,000
Donation of Cash to Prestea Mines Star (FC)	3,098
Amount donated to Prestea mines stars	10,000

<b>Area</b>	<b>Cost (US\$)</b>
Donation of Cash to Bogoso Golden Stars (FC)	500
<b><u>2007</u></b>	
Golder Star School Educational Material	1,087
<b><u>2008</u></b>	
Donation of Sport Equipment to Bogoso Circuit Schools	532
<b><u>Subtotal</u></b>	<b>123,217</b>
<hr/>	
<b>g. Clean water</b>	
<b><u>1999</u></b>	
Construction of Handdug well - Dumasi	35,000
Construction of Handdug well - Kumsono	-
	-
<b><u>2002</u></b>	13,000
Construction of Handdug well - Chujah	40,000
<b><u>2006</u></b>	
Water Project - Himan & Ankobrah	20,000
Water Project - Dumasi	3,098
Boreholes with hand pumps in Mbease Nsuta Community	10,000
Cost of rehabilitation of three (3) hand dug wells with pumps and design faction	500
Cost of rehabilitation of one (1) hand dug well with pump	
<b><u>2007</u></b>	1,087
Water Project - Pampe Project Area	
Water Project - Chujah	
Water Project - Bodwierano	532
Water Project Kumsono	
<b><u>2008</u></b>	
Yakanu Hand dug well	4,375
Kumsono Hand dug well	4,375
<b><u>Subtotal</u></b>	<b>131,967</b>
<hr/>	
<b>h. Toilets</b>	
<b><u>2005</u></b>	
Aqua Privy - Prestea Bolakvir	15,000
Aqua Privy - Kwame Niampah	16,436
<b><u>Subtotal</u></b>	<b>31,436</b>
<hr/>	
<b>i. Alternative livelihood projects</b>	
Oil Palm	
<b><u>2001</u></b>	1,863
<b><u>2002</u></b>	6,333
<b><u>2003</u></b>	12,833
<b><u>2004</u></b>	19,615
<b><u>2005</u></b>	32,010
<b><u>2006</u></b>	17,593
<b><u>2007</u></b>	1,097
Paultry	
<b><u>2003-2006</u></b>	66,744
Training & consultancy	
<b><u>2003-2006</u></b>	85,000
Vocational Training	

Area	Cost (US\$)
<b><u>2003-2006</u></b>	11,000
Fish Pond	
<b><u>2003-2006</u></b>	50,000
Sericulture	
<b><u>2003-2007</u></b>	13,000
<b>Subtotal</b>	<b>317,089</b>
j. GSOPP	
<b><u>2006</u></b>	
Land Acquisition	17,536
Land prep/Cultivation-Bogoso	361,637
Farm maintenance-Bogoso	73,980
Line cutting-Himan Plantation	1,807
Line cutting-New Aboi Plantation	1,833
Line cutting-Wassa Akyempim Plantation'	1,275
Line cutting-Mbease Nsuta Plantation	1,633
New Development-Chujah Plantation	1,633
Oil palm Nursery	6,937
Mangement Overheads	57,852
<b><u>2007</u></b>	
Maintenance-Bogoso Plantation	156,188
Development-Chujah plantation	52,254
Oil palm nursery	115,427
Management Overheads	65,714
Development-Wassa plantation	104,979
<b><u>2008</u></b>	
Maintenance-Bogoso Plantation	10,491
Development-Chujah plantation	10,377
Oil palm nursery	2,434
Management Overheads	15,751
Development-Wassa plantation	25,906
Development-Mbease Nsuta	617
<b>Subtotal</b>	<b>1,086,261</b>
<b>k. Others</b>	
<b><u>1999</u></b>	
Rehabilitation of Road - Dumasi Chiefs Palace	5,000
Re-graveling of Town Roads - Bogoso	-
Purchasing of Teachers Tables & Chairs -Tables	10,000
Grading and Repair of Ankobrah Village to Himan Village Road	9,961
<b><u>2000</u></b>	
Supply of 10 wooden poles for Extension of Electricity - Ehyereso	3,000
Supply of 20 wooden poles for Extension of Electricity - Appiatse	6,000
Supply of 10 wooden poles for Extension of Electricity Abotareye	3,000
Supply of 12 wooden poles for Extension of Electricity - Kojokrom	3,600
Installation of High Tension Poles & Transformer for Potable water suppl - Bogoso	9,500
<b><u>2002</u></b>	
Construction of Community Centre - Bogoso	55,000
<b><u>2005</u></b>	
Allocation for Minor Projects - Expenditure to be determined by GM	50,000
Community Centre - Himan	65,000

<b>Area</b>	<b>Cost (US\$)</b>
<b><u>2006</u></b>	
Fabrication of Community information Notice Boards for 20 Communities	3,800
Post Master's Bungalow - Prestea	22,766
Grading and Repair of Bondaye Village to Nsuta Village Road	9,961
Grading and Repair of Ankobrah Village to Himan Village Road	9,961
Grading and Repair of Ankobrah Village to Himan Village Road	9,961
Prestea Police Station Project ( Phase I)	1,200,000
<b><u>Donation</u></b>	
<b><u>2005</u></b>	
Amount of money received from BGL as donation to the 48th independence - Bogoso	79
Amount of money received from BGL as donation to the 48th independence -Kwame Niampah	79
Amount of money received from BGL as donation to the 48th independence - Prestea	889
Amount of money received from BGL as donation to the 48th independence -Prestea	79
Compassionate donation Queen Mother - Himan	659
Donation to Wassa Traditional Council towards the festival-cows assorted drinks and cash	2,415
Compassionate donation - Chief of Himan	274
Compassionate donation to the affected by rehabilitation of Himan road	373
Donation of one hundred bags of cement to the St. James Foundation	674
<b><u>2006</u></b>	
Donation of 10 crates of minerals towards 49th independence day Celebration - Kwame Niampah	110
Donation towards 49th independence day Celebration - Bogoso	220
Donation of 60 crates of minerals towards 49th independence day Celebration	606
Donation of 30 crates of minerals towards 49th independence day Celebration - Bondaye	330
Donation towards 49th independence day Celebration - Prestea	879
Donation to Himan Methodist Church - Annual Harvest	55
Donation to Muslem communities towards the celebration of Idle Fetir	1,445
Donation of Ceiling Fans and Benches	66
Donation to Prestea Local Council of Churches	551
Donation of cement, iron sheets, roofing nails etc to the councils in the area for repair and maintenance of schools, as part of the Community Amenities Maintenance Fund;	55
Compassionate donation to Community in the catchment area	220
Donation towards the death of Queen mother of Himan	1,072
Donation towards the Chiefs funeral - Prestea	108
Donation of Bags of Rice and Gallons of Vegetable Oil - Prestea	1,098
<b><u>2007 Projects &amp; Donations</u></b>	
Pampe Resettlement Site Electrification	4,605
Akestiwa Building Repair Works	75,694
Pampe Resettlement Projects	616,049
Donation of (Bags of Rice, Gallons of Oil)	1,087
Compassionate donation to Community in the catchment area	217
Wassa West & Wassa Amenfi District Assembly	1,087
Compassionate Donation to Mercy Appiah - Prestea	1,087
Wassa Akropon Area - Donation	844
Government Hospital - Donation	355
St. James Foundation - Donation	86
Disable Home - Donation	177
Aids Charity - Donation	125
Orphanage - Donation	189
Amenfi East District Assembly - Donation	333
National Farmers Day - Wassa West District Assembly	844
National Farmers Day - Wassa Amenfi District Assembly	844
Wildlife Protection - Wassa Amenfi Traditional Council	326
Funeral Donations	108
Christmas Donation - All Communities	1,403
Donation to KNUST Students	324

<b>Area</b>	<b>Cost (US\$)</b>
Compassionate Donation to Chiefs	1,079
Donation to Bogoso Area Council	108
Funeral Donations - Late Nana Buadi II - Mbease Nsuta	541
Drinks Donations to during the funeral	216
Donation of 10 crates of minerals towards 50th independence day Celebration - Kwame Niampah	
Donation towards 50th independence day Celebration - Bogoso	
Donation of 60 crates of minerals towards 50th independence day Celebration	
Donation of 30 crates of minerals towards 50th independence day Celebration - Bondaye	
Donation towards 50th independence day Celebration - Prestea	
Donation towards 50th independence day Celebration -Wassa Akropon	
Donation towards 50th independence day Celebration -Tarkwa	
<b><u>2008</u></b>	
Support to the 51st Independents Anniversary	809
Hirring of Brassband for the Independents Anniversary	423
Donation to Methodist Church - Prestea	102
Pampe Resettlement Project	78,538
<b><i>Subtotal</i></b>	<b>2,276,446</b>
<b>Grandtotals</b>	<b>4,658,662</b>

## **Appendix 2: Questions posed during street-level survey at Bogoso and Wassa.**

Instructions to RAs: Find out: Age range; present employment; present residence location area; Is the respondent Male or Female?

1. Do you live in this community? (for how long have you lived here?)
2. Do you come from this community? If not, where have you come from? And what brought you here? (the mine?)
3. Are you aware of the mine?
4. What would you say have been the positive and or negative results of the mine's presence here? (are these from your own experience or what you have heard others say?)
5. What would you wish the mine would do differently in how it relates to the community?
6. Do you have any friend or relative working at the mine? (If yes, how do they say they are treated as employees?)
7. Have you in any way been directly affected by the mine? (positively or negatively?)
8. How have things like
  1. Farming
  2. Drinking water
  3. Rental accommodation etcbeen affected by the presence of the mine?

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