

**USING COMMUNICATION AND CONSULTATION TO PROTECT
HUMAN RIGHTS DURING A VILLAGE RESETTLEMENT:
The Story of AngloGold Ashanti and Three Malian Villages**

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CASE ABSTRACT

In the mid-to-late nineties, Anglo American Corporation's Gold Division¹ ("AngloGold Ashanti" or the "Company") discovered that extracting gold deposits from its reserves in Mali would endanger the viability of three local villages. AngloGold Ashanti, along with other mine investors, the Malian government, and the local villagers, decided to resettle the villages rather than abandon the mining project. Governments typically assume the responsibility for community resettlements while corporations play a more minimal role. In the instant case, however, AngloGold Ashanti partnered with the Malian government and actively participated in all aspects of resettling the villages. AngloGold Ashanti faced various challenges in the course of the resettlements, but its commitment to open communication and continued consultation brought about a resettlement design that was consistent with international human rights norms.

Throughout the resettlement process the Company encountered various impediments and resistance. Notably, AngloGold Ashanti found that the villagers were unwilling to adopt certain modernizations made to the new villages. As a result, many of the modern advances are now improperly used, mistreated, or abandoned. Additionally, AngloGold Ashanti's resettlement plan underestimated the large migration to the new villages of people seeking work in the gold mines. Because the Company did not allocate enough land or resources to support the migrants, tensions arose between the original village inhabitants and the new arrivals. Furthermore, the villages are not yet self-sufficient. Thus, AngloGold Ashanti continues to fund and support the villages. These complications, among others, led to difficulties for the villagers and increased costs for the Company.

Despite these obstacles, AngloGold Ashanti formulated a resettlement plan that significantly protected the resettling villagers' human rights. In creating this plan, AngloGold Ashanti relied on various international guidelines setting forth human rights protections which can be incorporated into resettlement plans. Independent consultants were also hired to consistently and continually monitor the villages' progress. Additionally, AngloGold Ashanti frequently amended the resettlement plan to meet villagers' requests and consultants' recommendations. The result was a resettlement process that managed to preserve the traditions and culture of a minority population.

This case study examines AngloGold Ashanti's role in the Malian resettlements from a human rights perspective. AngloGold Ashanti's decision making process and resettlement procedure will be considered along with the more challenging issues AngloGold Ashanti encountered. In addition, some recommendations have been provided for corporations similarly faced with the prospect of resettling a community. The goal is to provide corporations with tools they can use to ensure the proper treatment of the resettling people. All resettlement plans are unique as they are tailored to meet the needs of the relocating community. AngloGold Ashanti's experience serves to illustrate a resettlement methodology that managed to underscore the importance of the relocating community's human rights.

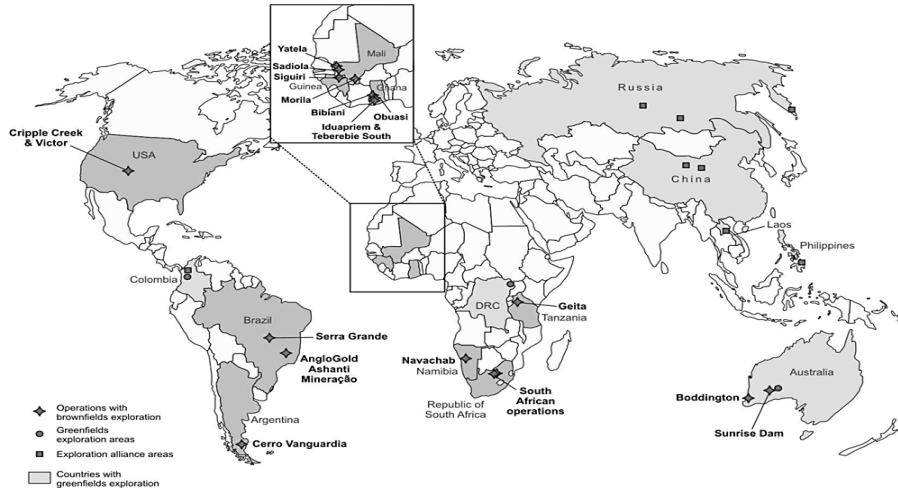
PROFILE OF ANGLOGOLD ASHANTI, LIMITED

AngloGold Ashanti, Limited is a public company headquartered in Johannesburg, South Africa. The Company was formed in April 2004 through the merger of AngloGold Limited, a

South African gold mining company founded in 1944, and Ashanti Goldfields Company Limited, a Ghanaian gold mining company.² It is listed on the stock exchanges of New York, Johannesburg, Ghana, London, and Australia, as well as the Paris and Brussels bourses.³

AngloGold Ashanti, Limited operates in a global marketplace. Led by Russell Edey, Chairman, and Bobby Godsell, Chief Executive Officer, AngloGold Ashanti, Limited employs almost 64,000 people around the world.⁴ The Company maintains twenty-one gold mining operations in ten countries throughout Africa, Australia, and North and South America, including South Africa, Argentina, Brazil, Ghana, Mali, Namibia, Tanzania, and the United States.⁵ (See map below). Additionally, the Company conducts greenfields exploration activities in the United States (Alaska), Colombia, the Democratic Republic of Congo, Russia, China, the Philippines, Laos, and Australia.⁶

AngloGold Ashanti, Limited is currently one of the world’s largest gold producers. In 2005, AngloGold Ashanti, Limited’s total gold production increased by 6% to 6.2 million ounces, of which 2.7 million ounces (43%) came from deep-level, hard-rock operations in South Africa.⁷ The remaining 3.5 million ounces (57%) were derived from shallower and surface operations.⁸ AngloGold Ashanti, Limited has an estimated additional six million ounces in open-pit and underground mines.⁹ Accounting for a large proportion of gold sales worldwide, AngloGold Ashanti, Limited’s revenue from gold income in 2005 was US\$2.629 billion with an 11% one-year sales growth, and adjusted net income was US\$200 million.¹⁰ In its 2005 Annual Report, the Company projected gold production to decline marginally in 2006 but to increase in 2007 to a range between 6.2 and 6.5 million ounces.¹¹



AngloGold Ashanti, Limited’s worldwide operations as of 2005.
Source: AngloGold Ashanti, Ltd.

THE SADIOLA AND YATELA GOLD MINES RESETTLEMENT PROJECT

SCOPE AND HISTORY OF THE PROJECT

Beginning in 1996, AngloGold Ashanti worked to resettle the villages of Sadiola, Farabakouta and the Niamboulama hamlet. This decision came after AngloGold Ashanti discovered gold reserves in Sadiola and Yatela containing at least four million ounces of gold

worth at least US\$1.5 billion. The Company decided to undertake the mining of this reserve as a joint venture with a Canadian corporation, the Malian government, and the International Finance Corporation (IFC).

The Sadiola mine, which will run until approximately 2012, represents one of the largest gold extraction investments in Mali, resulting in almost US\$280 million in capital investment.¹² In fiscal year 2005, Sadiola's gold production reached 442,000 ounces, achieved at a total cash cost of \$265 per ounce.¹³ The Yatela mine was established shortly after Sadiola at a capital cost of US\$73 million.¹⁴ The Yatela mine is expected to produce gold until 2008 with a lifetime expectancy of 1.6 million ounces.¹⁵

The reserves' discovery was vital to Mali's economy as Mali is one of the world's poorest countries. Mali is a landlocked country that is regularly susceptible to drought.¹⁶ Despite recent economic growth, the United Nations Development Programme's 2005 Human Development Index ranks Mali as 174 out of 177 countries in human development.¹⁷ This index compares countries based on three aspects of human development: "living a long and healthy life, being educated and having a decent standard of living."¹⁸ The Company and the Malian government expected this project to stimulate the Malian economy and provide thousands of jobs for impoverished Malians. The mine's profits would also give the Malian government increased means to provide infrastructure to support its inhabitants.

The area surrounding the reserves is Sadiola. This region is typical of most of Mali, economically depressed with a low standard of living and virtually no infrastructure. Sadiola is located in the most western region of the Republic of Mali, West Africa, near the Senegal-Mali border. The region is an isolated and rural area approximately 70 km south of Kayes, the regional capital. Sadiola is made up of forty-six villages, which have more than 20,000 inhabitants.

Initially, all parties believed that the mining project would have minimal impact on the surrounding villages. In 1994, Institute of Natural Resources (INR) conducted an Environmental Impact Assessment (EIA).¹⁹ This initial report concluded that AngloGold Ashanti would not need to resettle any villages in order to extract the gold from Sadiola. The EIA indicated that the nearby Sadiola village may eventually not be able to coexist with the mine, but that immediate resettlement was not necessary.

The EIA did not mention the northern village of Farabakouta. Within the next year, however, the Company discovered that the ore vein extended directly underneath Farabakouta, a small nearby village. The gold reserves could not be extracted without destroying this village. Extending the mine pit as far north as Farabakouta also changed Sadiola's situation. Sadiola was not located directly on top of the gold, as was Farabakouta, but the village was very close to the western edge of the pit. The Company determined that extracting the gold would severely impact the inhabitants of both villages, which meant that the villages would have to be moved or the project suspended.

While exploring the Sadiola region, AngloGold Ashanti also discovered an additional gold reserve in the nearby Yatela region. This reserve extended directly beneath the Niamboulama hamlet. The Company immediately concluded that the extraction of this reserve

would necessitate the resettlement of the Niamboulama hamlet. But in this case the decision to resettle Niamboulama was made swiftly and AngloGold Ashanti was able to apply many of the lessons learned in the Farabakouta and Sadiola resettlements to the Niamboulama process.

DECIDING WHETHER TO RESETTLE THE VILLAGES

The Decision to Resettle

After discovering that the gold mines and the villages could not coexist, the parties first considered whether there were suitable alternatives to resettling the villages. The Company evaluated the pit-shell and waste rock dump designs of the gold mines as well as the mines' relative proximity to the villages. Concluding that the gold mines' designs were not alterable, AngloGold Ashanti, along with the other mine investors, the Malian government, and local village leaders, then determined whether the economic benefits of the project outweighed the possible detriments to the resettling communities. Ultimately, the parties agreed that the potential revenue that could be generated from the gold mines outweighed the overall cost of the village resettlement.

As part of the loan agreement between the IFC and AngloGold Ashanti, the Company agreed to undertake the resettlement. The IFC provided a detailed outline related to the resettlement, which included communication and public consultation processes. There was little dissent among Company leaders regarding the decision to take on the resettlement process. Agreement among Company managers was based on two grounds. First, the IFC's loan was critical to building the gold mines. Second, Company managers believed that a successful resettlement that appeased all parties would be crucial to the overall financial success of the mines. AngloGold Ashanti's management was indeed aware of the possible negative consequences of not suitably resettling the villagers, such as violent protests, difficulties in hiring competent and committed employees, negative publicity and other disturbances. As a result, AngloGold Ashanti took responsibility for all aspects of the resettlements.

International Principles and Guidance on Village Resettlement

In addition to the advice received from IFC concerning the resettlement, and in view of the increasing social expectations aimed at companies that engage in projects that necessitate resettling a community, AngloGold Ashanti also considered various international standards and principles when developing the resettlement plan. Human rights have been set forth in various international conventions and declarations, the most important being the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. The rights guaranteed in these instruments, which together constitute the International Bill of Human Rights, include the right to life,²⁰ liberty,²¹ freedom from cruel, inhuman and degrading treatment,²² the right to adequate housing and the freedom to choose a place of residence.²³

In addition to these protections, individuals and communities are also protected against forced evictions (or involuntary relocations). A forced eviction occurs when individuals, families, and communities are removed from their houses and lands against their will and without due process, legal or other forms of protection.²⁴ When a resettlement is carried out in a

manner that fails to respect procedural safeguards set forth to minimize the adverse impacts on affected communities, the resettlement process could rise to the level of a forced eviction and a violation of international human rights law.²⁵ These procedural safeguards include comprehensive impact assessments, prior consultation and notification, provisions of legal remedies, fair and just compensation, and the provision of an adequate resettlement site.²⁶

Governments, international organizations, and civil society increasingly urge corporations to oversee community resettlements caused by the company's projects in an effort to avoid human rights abuses. In addition, companies that choose to closely oversee a resettlement process can more actively ensure that the company does not become complicit in human rights abuses committed by other parties actively involved in the relocation process. Active involvement also secures a company's compliance with the second principle of the United Nations Global Compact, which asks companies to ensure that they are not complicit in human rights abuses.²⁷ The understanding of complicity in the context of the Global Compact largely follows the legal standard and means that companies should make sure they do not assist, encourage, benefit from or passively permit human rights abuses committed by governments, rebel groups, other companies or individuals.²⁸

To avoid complicity during a resettlement process, corporations may want to closely monitor a government that has offered to relocate a community on the corporation's behalf. Local authorities, particularly in developing nations, may be ill-equipped and lack adequate resources to handle resettlements appropriately.²⁹ Some governments may physically remove individuals from their homes through force and threats of force, without prior consultation or adequate notice.³⁰ These governments most often do not provide alternative resettlement sites.³¹ Even where governments do provide a particular resettlement site, it is not uncommon for the resettled individuals to be abandoned, without access to food, clean drinking water, livelihood opportunities, education facilities, or materials to begin rebuilding their homes and community structures.³² In such a situation, a company could be found to be complicit in the human rights violations committed by the relevant government if it benefited from or encouraged the government's actions. This is why a corporation, particularly when operating in a country known for human rights abuses, may want to consider more closely monitoring government activities during the resettlement process to minimize the likelihood that the government will use improper means to resettle the communities.

In addition to avoiding complicity, a corporation can be vital to the resettled community's continued survival by planning and funding the resettlement. An improperly planned or inadequately executed resettlement can have dire consequences for the displaced community. The United Nations Secretary-General has identified forced evictions as one of six primary causes of population displacement.³³ Inadequate aid during a resettlement can result in landlessness, joblessness, homelessness, marginalization, food insecurity, loss of access to common resources, loss of access to public services, social breakdown, and risks to host populations.³⁴ Moreover, population displacement can cause social and economic instability as well as destroy traditional and cultural elements unique to that population. A recent study has highlighted that the impact of forced displacement on children is similar to the one of armed conflict.³⁵ A corporation that provides proper support to a resettled community can help to ensure the continued viability of the community's way of life.

To achieve a successful resettlement without infringing on a community’s human rights, a company may look to existing guidelines and principles that provide direction on how to undertake a resettlement. In addition to the second principle of the Global Compact, discussed above, the World Bank Group, the International Finance Corporation (IFC), and the Organisation for Economic Co-operation and Development (OECD) have each proposed a set of principles and guidelines related to issues of community consultation and involvement, relocation requirements, and compensation provisions to guide corporations and governments through a resettlement process that complies with human rights norms.

First, the World Bank Involuntary Resettlement Operational and Banking Policy (“OP/BP 4.12”) describes the World Bank Group’s policy and procedures on involuntary resettlement.³⁶ The goal of OP/BP 4.12 is to protect displaced communities from the economic, social, and environmental risks accompanying a resettlement.³⁷ Although only companies that borrow from the World Bank are required to abide by these guidelines, they provide useful recommendations for all companies undertaking a resettlement project.³⁸

Second, the IFC, the private sector arm of the World Bank Group, requires that all of its clients abide by Performance Standards.³⁹ The IFC provides loans, equity, structured finance and risk management products, and advisory services to build the private sector in developing countries.⁴⁰ Performance Standard 5 deals with land acquisition and involuntary resettlement, setting forth a number of specific provisions that will aid a corporation undertaking a village resettlement.⁴¹ While the IFC’s standards also only bind those companies with which it does business, these standards provide a useful framework for a company designing a resettlement plan.⁴²

Third, the OECD provides guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects.⁴³ The OECD is an association of thirty member countries that share a commitment to democratic government and the market economy.⁴⁴ The OECD aims to foster good governance in both the public and corporate sectors.⁴⁵ The OECD Guidelines set forth “best practices” for corporations undertaking a community resettlement.⁴⁶

The basic principles and guidelines on development-based evictions and displacement that have been developed by the United Nations Special Rapporteur on adequate housing address the human rights implications of development-linked displacement. The guidelines outline the human rights requirements that accompany development based displacement, looking at requirements ahead, during and after the displacement.⁴⁷

These, and other guidelines, have been set forth in the table below.

WHERE TO GO FOR GUIDANCE	
Some countries have national guidelines for resettlement. Where they do not, a corporation can consider the following documents and guidelines:	
The United Nations Global Compact www.unglobalcompact.org	Principle 1 states that businesses should support and respect the protection of internationally proclaimed human rights; Principle 2 states that companies should make sure that they are not complicit in human rights abuses.
The World Bank Guidelines on Involuntary Resettlement (OP/BP 4.12) www.worldbank.org	Describes World Bank policy and procedures on involuntary resettlement. The theory underpinning the guidelines is that a population displaced by a project should receive benefits in exchange for the relocation.

The IFC's Performance Standard 5 on Involuntary Relocation www.ifc.org	Provides a comprehensive overview of the various factors a company faced with relocating a community may want to consider.
The OECD Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects www.oecd.org	Sets forth criteria that aim to ensure that a population displaced involuntarily receives the support it needs and that the community is re-established properly. The Guidelines provide policy objectives as well as suggestions on planning and implementation of a successful resettlement plan.
The Voluntary Principles on Security and Human Rights www.voluntaryprinciples.org	Provides companies with principles and direction on a variety of human rights issues, including involuntary resettlement.
The International Covenant on Civil and Political Rights	See, among others, Article 12, which guarantees all people the right to liberty of movement and the freedom to choose residence.
The International Covenant on Economic, Social and Cultural Rights	See, among others, Article 11, which guarantees all people the right to adequate food, clothing, housing and fair distribution of food.
ILO Convention 169, Articles 14, 15 & 16 The UN Draft Declaration on the Rights of Indigenous Peoples, Articles 10, 26 & 30	Guarantees indigenous people the right, among other things, to own, control, and use their lands and territories, to participate in decisions concerning the use of their territories and related natural resources, and not be removed from their lands without their voluntary and informed consent.

THE RESETTLEMENT⁴⁸

AngloGold Ashanti began planning and preparing for the resettlements in 1996. Approximately three years later the new villages were ready for the villagers. On April 22, 1999, July 8, 1999 and October 6, 2000, the villagers in Farabakouta, Sadiola and Niamboulama resettled, respectively. This section addresses AngloGold Ashanti's handling of the planning, construction, and transfer phases of the process. This section will discuss topics such as compensation, site selection, construction, infrastructure, villager health and safety, and resistance to the resettlements.

A SUMMARY OF THE MAIN FEATURES OF THE RESETTLEMENTS			
SADIOLA VILLAGE RESETTLEMENT PROJECT			YATELA VILLAGE RESETTLEMENT PROJECT
ASPECT	SADIOLA	FARABAKOUTA	NIAMBOULAMA
Date of Resettlement	July 8, 1999	April 22, 1999	October 6, 2000
No. of people resettled	496 original inhabitants	550 original inhabitants	109 original permanent residents
No. of households resettled	16 government-employed families Approx. 1000 "new arrivals" 35 households of original inhabitants	34 households	6 households
Construction of replacement village and associated dwellings	16 government-employed families 689 "new arrival" structures 129 housing structures, 57 'pungalutho toilets'®, village mosque, 39 government structures (clinic, school, local offices, agriculture department, etc.), reticulated water system with strategically located standpipes, roads and drains. "new arrivals," with assistance from the mine, re-built their own structures.	125 housing structures, 52 'pungalutho toilets'®, a village mosque, reticulated water system with strategically located standpipes, roads, and drains.	37 structures and 17 traditional pit toilets, village mosque, school, 2 handpumps, 1 well.
Compensation	Cash compensation was paid for the loss of croplands and secondary structures (granaries, cattle kraals,	Cash compensation was paid for the loss of croplands and secondary structures that were rebuilt by the	Cash compensation was paid for secondary structures that were rebuilt

	shade shelters, etc.) that were rebuilt by the villagers on their new sites. Provision of agricultural equipment for the development of new croplands.	villagers on their new sites. Provision of agricultural equipment for the development of new croplands.	by the villagers on their new sites. Labour costs for the clearing of new croplands and provision of fertilizer for the establishment of new croplands was paid.
Total cost of resettlement		US\$5.5 million	US\$400,000

Source: *Four Years After the Move: Village Relocation at Sadiola and Yatela Gold Mines, Mali, West Africa*, Table 1, A.G. Mackenzie, et al., 2004.

CONSIDERING AND CALCULATING COMPENSATION

No party involved with the gold mines ever questioned the right of the villagers to adequate compensation for the loss of their land. Therefore, the only issues left to decide was what method and amount of compensation would be proper under the circumstances.

There are two main ways to compensate a displaced community. Parties can either pay community members cash for the value of property lost or, alternatively, parties can use the funds to resettle the population. Resettlement is preferable to cash compensation because structured resettlement minimizes the social and economic impacts on the community. In this case, all parties agreed that AngloGold Ashanti would bear the burden of providing compensation. The parties also agreed that cash payments alone would not be sufficient and that the circumstances demanded that the villages be resettled. The parties then agreed that 6 million CFA Francs (approximately US\$10,500) per village would be allocated to the resettlement projects. This figure included 2.5 million CFA Francs for the sacrifice and 3.5 million CFA Francs for community development projects and a grand village resettlement ceremony.

The parties also determined that, in some circumstances, cash payments to villagers would be more appropriate. In Sadiola, cash compensation was given to some villagers to replace small private structures, such as chicken coops, cattle enclosures, and shade shelters. Moreover, AngloGold Ashanti provided agricultural equipment that the villagers needed to develop new croplands. In Niamboulama, AngloGold Ashanti allocated additional funds to employ people to clear new cropland and provide needed fertilizers.

Where cash compensation was offered, the cash value was based on official government figures as issued by the *Direction Regionale d'Urbanisme et de la Construction* (DRUC), a Malian government agency. Once DRUC determined the value of a particular item or structure, AngloGold Ashanti deposited the value at a local government office from which the villagers later retrieved the sum. Government representatives at the local administrative office witnessed all transfers and kept signed records as proof that the money had been properly dispersed. Most cash compensation was distributed in the initial phases of the project.

AngloGold Ashanti encountered one individual who was notably dissatisfied with the compensation system. In Sadiola, the former secretary of the *Chef d'Arrondissement* (district administrator), Mr. Sissoko, refused to leave the village. Mr. Sissoko still lived in the government owned old administrative complex in Sadiola. He wanted cash compensation for the secondary structures that he had added to the premises. After much discussion, the parties appeared to come to an agreement. When AngloGold Ashanti tendered payment, however, Mr. Sissoko refused to accept. AngloGold Ashanti then permitted the local government to handle

negotiations with Mr. Sissoko, but they were unable to come to an acceptable agreement. Eventually, the government evicted Mr. Sissoko and the building was demolished with the other village structures. AngloGold Ashanti deposited the cash compensation that Mr. Sissoko refused to accept with the *Délégué du Gouvernement* of the Sadiola Municipality (the former *Chef d'Arrondissement*).

AngloGold Ashanti also recognized that the resettlements caused a hardship that the villages would not otherwise have encountered. Therefore, in each village's resettlement contract, AngloGold Ashanti agreed to provide additional funds to be used for supplementary community development projects. AngloGold Ashanti used these additional funds in part to build facilities that did not exist in the old villages. After receiving input from the villagers as to the structures they most desired, AngloGold Ashanti used the additional funds to build schools, football fields, and community and government structures within the new villages.

One issue that AngloGold Ashanti encountered in connection with compensation was the belief by some villagers that they were entitled to employment within the mines as part of their compensation packages. Villagers in Sadiola and Farabakouta assumed that they were entitled to the highest paid jobs in the mines, regardless of experience, training, or skill level, even though AngloGold Ashanti did not make any employment guarantees during the resettlement negotiations. In hindsight, AngloGold Ashanti recognizes that it could have communicated to the villagers more clearly that jobs within the mines would be awarded based on aptitude and skill sets, not on membership within the resettled population. Even so, AngloGold Ashanti did hire a number of original inhabitants of all villages to work in the mines and assigned them to appropriate positions.

PICKING NEW VILLAGE SITES

AngloGold Ashanti, the Malian government, and the villagers recognized that picking suitable village sites was critical for the stability and continuity of the new villages. The baseline criteria for the proposed village sites included suitable access to food, water and other natural resources, main roads, and nutrient rich soil that could support farming. A site without these crucial elements would not meet the needs of the villagers and the community would suffer as a result. The parties also sought to avoid locations that might give rise to possible conflicts with neighboring villages or that were too near to the mine infrastructures.

AngloGold Ashanti formed a "Steering Committee" to identify and evaluate possible site locations and to report their findings to AngloGold Ashanti's management. This committee was led by the Governor of the Kayes Region and included Company representatives, regional authorities, and village leaders. The Steering Committee then hired two non-governmental organizations (NGOs) as consultants to aid in the decision making process: the Institute of Natural Resources (INR), based out of the University of Natal in Pietermatitzburg, South Africa; and the *Association d'Etude et de Mise en Valeur des Ressources Naturelles et des Institutions* (ASERNI), a Malian NGO. Both INR and ASERNI were involved in the original EIA in 1994 so they were familiar with the villages, the project, and the people.

The Steering Committee assigned INR and ASERNI two tasks. The first task was to produce socioeconomic and land-use planning studies for several sites. These studies provided

important insights. Primarily, they provided baseline statistics which could be used for comparisons with the new villages. These statistics also included a full census of families in the affected villages as well as reports on property and other significant material possessions. This census was meant to prevent “free riders” from later claiming injury or rights to compensation for which they were not entitled. Furthermore, these studies also gave detailed information about each possible site, including access to natural resources and suitability.

Second, INR and ASERNI participated in the actual selection of the new village sites. Both NGOs gave their recommendations as to the most suitable sites for each village. The Steering Committee considered these recommendations along with the reports conducted by two Malian government agencies responsible for social affairs and public works, the *Direction Regionale d’Action Sociale* (DRAS) and DRUC.

After reviewing the reports and recommendations of INR, ASERNI, DRAS, and DRUC, members of the Steering Committee passed their determinations onto AngloGold Ashanti, along with all supporting factual information and reports. AngloGold Ashanti then began extensive discussions and negotiations with the Steering Committee members, the Malian government, and village leadership regarding the recommended village sites. The new Sadiola and Farabakouta village locations were selected in August 1997.

AngloGold Ashanti permitted the villagers to have a significant amount of input in selecting village locations. For instance, the site that was ultimately selected for the new Niamboulama hamlet was not the first choice of AngloGold Ashanti, the Malian government, or the NGOs. Instead, all parties accepted the selection made by Kourketo, a larger village with ownership rights over the relatively large area of fertile land known as the Niamboulama hamlet. Kourketo’s leaders were concerned that the site chosen by AngloGold Ashanti was too far from Kourketo. Kourketo’s leaders feared that they would lose ownership over Niamboulama as a result. In an effort to give credence to Kourketo’s ownership rights, AngloGold Ashanti, the Malian government, and the NGOs ultimately conceded to Kourketo’s demands. In 1999, the parties approved Kourketo’s choice for the new Niamboulama hamlet.

Resistance by individual villagers to the new sites was unexpectedly limited. AngloGold Ashanti did, however, encounter resistance in Farabakouta from one particularly prominent household which was headed by Mr. Baba Macalou. Mr. Macalou had protested against the resettlement from the beginning of the project and was not willing to move to the chosen site. Mr. Macalou proposed instead to relocate to a site further north. After months of discussion and negotiation among the Company, SEMOS, Sadiola’s mine-management subcontractor, Farabakouta leadership, and Mr. Macalou, Mr. Macalou was permitted to establish a new village on his own in his chosen site. SEMOS provided materials and cash compensation equivalent to what it would have cost to build Mr. Macalou’s structure in the new village. Additionally, SEMOS oversaw the construction of Mr. Macalou’s structures at his preferred site. Although construction of Mr. Macalou’s structures was completed in December 1999, Mr. Macalou did not actually move to his new settlement until May 5, 2000. The delay was a consequence of Mr. Macalou’s additional demands, which were made after the structures were built, including a request for the Company to provide an additional well on-site and hard capping of the access road to the settlement. AngloGold Ashanti complied with these requests.

CONSTRUCTION AND STRUCTURAL ISSUES

AngloGold Ashanti discovered during the resettlement process that one of the most challenging aspects of resettlement is to design and construct a new village. Once the sites for the new villages were selected, INR prepared a Resettlement Action Plan (RAP). The RAP was then approved by AngloGold Ashanti, the Malian government, and the village leadership. This section considers AngloGold Ashanti's actions regarding the design of the villages, the architectural plans for the village structures, AngloGold Ashanti's decision to use local contractors to build the villages, and the materials AngloGold Ashanti used to construct the villages.

Laying Out the New Village Plan

AngloGold Ashanti based the design and layout for the new villages on extensive discussions with the Malian government, consultants, village leaders, and the families themselves. The result was a new, more modern, grid-like layout which comparatively allocated more land to each family. AngloGold Ashanti altered the new village layout mainly because the Malian government required that the new villages be designed to fit modern town layouts. AngloGold Ashanti agreed that a symmetrical, grid pattern was preferable to the old village layout, which was unstructured and did not provide each family with much land. The villagers welcomed the new layout as well because it provided the villagers with extra space between homes and larger plots.

AngloGold Ashanti chose to allocate plots to families in a manner consistent with the plot allocation in the old villages. The intent behind this allocation scheme was to maintain the social order in the old villages that had dictated plot allocation. For example, someone who lived next door to the village chief in the old village would continue to live next door to the village chief in the new village. AngloGold Ashanti, the Malian government, and consultants, as well as villagers, all determined that this social order was important to the community and had to be maintained in the new villages.

Having decided a general layout, AngloGold Ashanti then commissioned architects to draw the initial plans for the new villages. The initial plans were based on various land and socioeconomic surveys, the design of the existing villages, dwelling sizes in the original villages, families' preferences for dwelling sizes, and anticipated and requested infrastructural needs. These plans were then modified on the basis of discussions and consultations with village leaders and families. The designs and layouts were then verified and approved by the appropriate Malian agencies, as required by Malian law.

In drawing the architectural plans, AngloGold Ashanti instructed the architects to include village access roads, storm water drains, and other public amenities such as a mosque, a central meeting place, and a football field, even though these facilities did not exist in the original villages. In Sadiola, AngloGold Ashanti replaced certain government facilities, such as the district administrative complex, the agricultural facilities, the forestry office, the clinic, and the primary school. AngloGold Ashanti also constructed a secondary school for the district as part of its contribution to community development.

Prior to building any structures on the new village sites, AngloGold Ashanti needed to clear these areas of trees. The tree clearing was necessary for two reasons. First, there were many trees growing within the perimeter of proposed structures. Some trees also posed a physical hazard to builders and contractors. Second, clearing trees complied with villagers' beliefs that the trees on the plot provided refuge for evil tree-dwelling spirits. In an effort to respect this concern, AngloGold Ashanti charged the village men with determining which trees should be felled. These men identified almost all trees on the site. Rather than objecting, AngloGold Ashanti complied with these requests and tore down almost every tree.

The result of cutting down so many trees has not been positive. Currently, one of the main complaints AngloGold Ashanti receives about the new villages is the lack of adequate shade from the heat. These complaints are a direct result of felling so many shade-trees in an effort to comply with the villagers' request. Although, AngloGold Ashanti has attempted to remedy the situation by importing new trees to the area, many of these trees have died due to lack of maintenance, such as regular watering. Additionally, the trees that have been maintained will not provide adequate shade for a number of years.

Architectural Plans for Rebuilding Structures

The next area of consideration was designing the villagers' homes. AngloGold Ashanti determined that the most cost-effective way to rebuild the villages would be to design one home and replicate it across the village. However, AngloGold Ashanti recognized that individuality and uniqueness was important to the villagers. AngloGold Ashanti also acknowledged that some variations were necessary for practical reasons, such as heat reduction, individual necessity, needs of disabled persons within the home, and so forth.

In an effort to balance these competing interests, AngloGold Ashanti came up with a feasible solution. AngloGold Ashanti commissioned the architects to design a series of standardized homes with the regular input of ASERNI, DRUC, and village leadership. Upon completion of these designs and approval by the respective agencies, sample structures were built in each village. Families were permitted to examine and explore these potential homes and select which of the designs they preferred. AngloGold Ashanti also adjusted designs on the basis of comments made by the villagers. The Company approved additional designs for families whose original homes were unique in some way. In those cases, the architect integrated the unusual aspects of the original dwellings into the standard dwellings for specific families who made that request. The villagers who were permitted to incorporate certain aspects of their original homes into the new structures were generally pleased with the result. Additionally, it gave these particular villagers a sense of control over the relocation and rebuilding process, further alleviating possible future tensions.

AngloGold Ashanti's flexibility and openness with respect to villagers' preferences is also evidenced by the dwellings' roof designs. Most villagers had double pitched thatched roofs in the old village. In the new village AngloGold Ashanti favored using mono-pitched roofs because this design was less expensive and easier to build. Some villagers, however, preferred the double pitch design. The Company, the government, NGO representatives, and the village leaders negotiated a compromise on this issue. Those structures in the old village that possessed a double pitch roof design would be rebuilt in the new village with a double pitch roof. All other

structures would be built with a mono-pitch design. Interestingly, unaffiliated newcomers to the rebuilt villages have tended to adopt the mono-pitch design on their own initiative when building their own dwellings.

Once the home design was selected, construction of the home began. AngloGold Ashanti closely monitored the construction process to ensure that homes were built according to the agreed upon specifications. In addition to AngloGold Ashanti's direct supervision of the local contractors (as discussed in more detail below) ASERNI, INR, and DRUC regularly inspected the construction process and provided feedback to AngloGold Ashanti. Village leaders and the villagers themselves also monitored the construction process. AngloGold Ashanti permitted and encouraged villagers to voice their concerns and doubts during the construction phase, particularly in connection with the quality of workmanship and materials used.

Local Contractors

AngloGold Ashanti selected local contractors to build the new villages instead of Company engineers to maintain good relations with the villagers, provide employment opportunities, and abide by local customs. This decision created many jobs locally and ensured that the villages were built by people who were familiar with the building materials, the structures themselves, and their uses.

AngloGold Ashanti's decision to use local contractors, however, brought about two major concerns. First, AngloGold Ashanti found that the local contractors required significant supervision. Without AngloGold Ashanti's constant monitoring, contractors often deviated from the stated plans and designs. Additionally, the local contractors often had difficulty meeting agreed upon deadlines. Eventually, AngloGold Ashanti's Engineering Department was forced to oversee the construction of the villages on a site by site basis.

Second, local contractors could not acquire building materials as easily as AngloGold Ashanti originally anticipated. As part of the initial agreement between AngloGold Ashanti and the local contractors, AngloGold Ashanti required that the local contractors obtain materials independently. AngloGold Ashanti quickly realized, however, that the local contractors were unable to acquire the large amount of materials necessary to complete the large project without the backing of the Company. Ultimately, AngloGold Ashanti took over the procurement and distribution of building materials. This unanticipated, additional responsibility, along with the increased supervision, significantly increased the cost of constructing the new villages.

AngloGold Ashanti also struggled with the best method to pay the local contractors for their work. AngloGold Ashanti decided to authorize payments at various stages of construction, dependent on progress, with a 10% guarantee retained for a six-month period. The parties met weekly to monitor the resettlement process, including progress with construction activities and associated issues. Around the six month period, AngloGold Ashanti representatives examined all structures. The monitors would identify structural problems and instruct contractors to make repairs. AngloGold Ashanti would not authorize payments until the contractor completed the repair. By the time the villages were completed, all contractors had been paid the full agreed upon amount.

Choosing Materials

Like most Malian rural areas, the majority of the family homes in the old villages were huts made of mud brick and thatched roofs. AngloGold Ashanti was not bound to rebuild the dwellings using these materials and, along with the Malian government, determined that it was in the villagers' best interest to build the new villages with more permanent materials. Consequently, the homes and structures were built with new brick and roofing materials.

The Company first considered using cement brick in place of the mud brick used in the original villages. In the urban areas of Mali, the most commonly used permanent dwelling material is cement brick. This cement, however, is very expensive and difficult to obtain in mass quantities in the western region, forcing AngloGold Ashanti to look for suitable alternatives. After much discussion and investigation, the parties involved chose the popular South African building material, cement-laterite brick. AngloGold Ashanti imported four brick-making machines from South Africa. The Company then commissioned sample structures to be built using the cement-laterite brick and conducted tests comparing the destructibility of the cement-laterite brick against the Malian cement. In Sadiola and Farabakouta, the tests were successful and all parties accepted the use of the new brick. Making enough brick to build the required structures in each of the new villages resulted in a significant boost to the local economy. AngloGold Ashanti employed 140 local villagers for a nine month period to manufacture 1.4 million bricks necessary to rebuild the two villages.

In the Niamboulama hamlet, however, the cement-laterite brick was rejected for two reasons. First, AngloGold Ashanti had a shorter time frame within which to construct the village and the new brick-making system was too time-consuming. Second, economies of scale did not produce significant savings over the Malian cement. As a result, Niamboulama's homes and buildings were built using the Malian cement.

AngloGold Ashanti opted to use different roofing material in the new villages as well. Rather than rebuilding the structures with thatch, as had been the roofing material used in the old village, AngloGold Ashanti constructed the new roofs using corrugated iron, fitted on the inside with insulation.

Initially, AngloGold Ashanti feared that the new roof and brick materials would make the new dwellings much hotter than their old versions. To the Company's surprise, however, this has not been the case and no heat related complaints have been received.

CONSIDERING VILLAGERS' HEALTH AND SAFETY

AngloGold Ashanti, the Malian government, the consultants, and the village leadership understood that the villagers' continued health and safety after the resettlement would be a vital element to the success of the resettlement. There are three main areas where AngloGold Ashanti and the Malian leadership focused their efforts in support of the villagers' continued health and safety. They included ensuring access to clean water, providing adequate food supplies, and installing and updating the sanitation systems. Focusing on these areas, the Company planned and installed modernized systems and infrastructure to improve the daily life of the villagers. But although the parties were creative in their approaches to these issues, the results were mixed.

AngloGold Ashanti and the villagers have found maintenance of some of these modernizations to be a continuing source of difficulty. Since their installation, many of these systems have been either neglected or abandoned.

Clean Water Supply

In Mali, access to clean drinking water is a daily concern. In the western part of Mali, most villages depend on ground water supplies during the dry season. The Sadiola region is particularly vulnerable to water crises. One socioeconomic study of the region cites claims that “the Sadiola region has twice as many inhabitants as the average Malian rural municipality, as well as one of the country’s most lucrative goldmines, but has less than half the average number of outdoor drinking water spots.”⁴⁹ Without adequate access to ground water supplies or a reasonable alternative, the villages would not endure.

AngloGold Ashanti attempted to address this problem in the new villages by installing a reticulated water supply system in Sadiola and Farabakouta. In the old villages, as in most of Mali, villagers obtained water by a hand-pump that was equipped with boreholes and wells. When the decision to resettle the villages was finalized, the Malian government requested that AngloGold Ashanti invest in updating the water retrieval system. The Malian government determined that the new villages would best benefit from a reticulated water system with standpipes, which “consist of boreholes, equipped with diesel-driven pumps that feed a header-tank above the village.”⁵⁰ AngloGold Ashanti’s consultants disagreed with the government’s assessment. The mine’s advisors warned that the new system was a major departure from local norms and that the villagers might be resistant to its use. AngloGold Ashanti also voiced concerns that the villages did not have the funds available to cover the new water supply’s expenses including pump maintenance, the diesel fuel required to run the system, and operator salaries. Yet the government convinced AngloGold Ashanti that the new water system was a necessary addition and important to modernizing the villages.

As AngloGold Ashanti feared, the villages have struggled to take full ownership of the reticulated water supply systems. Although the new systems provide villagers with a simpler method to obtain clean water, the villagers have not yet taken over the management and operation of the water systems. When AngloGold Ashanti voiced its concerns about funding the new water system, the government suggested that village leadership tax the village residents. The village leadership never instituted this tax. An internal report conducted by AngloGold Ashanti theorized that the expense of operating the water system is, most likely, the reason behind the village officials’ lack of interest in operating the water system.⁵¹ A more accurate assessment of the villages’ likely commitment to the success of the reticulated water supply system prior to modernizing the water system could have revealed the villagers’ unwillingness to change their water collection methods. As a result of this unwillingness, AngloGold Ashanti continued to fund and oversee the operation of the water systems in Niamboulama until June 2005.⁵² The Company intends to discontinue funding and operating the water supply systems in Sadiola and Farabakouta in 2006.⁵³

Food Supply

A sustained food supply is similarly crucial to a village's survival. AngloGold Ashanti's resettlement project had to address this issue adequately in order to secure the success of the new villages. Much of the villagers' food supply came from farming. Since it would take the new villages at least one season to harvest a crop, AngloGold Ashanti included provisions for food distribution during the first year of the new villages' existences. AngloGold Ashanti determined that the best way to allocate the foodstuffs to the villagers was to create grain banks. The Company provided five tons of millet as "capital" using part of the "sacrifice fee" to fund the bank. The concept was that one could withdraw food from the "grain bank" as a loan during hard times and repay after a successful crop.

AngloGold Ashanti intended the "banking" system of food allocation to be a short-term solution only and to encourage villagers to become self-sufficient. The "banking" system, however, was not successful as the villagers relied more and more on the banks grain supply. Eventually, the bank turned to hand-outs and collapsed soon after. When the food provisions expired, the community wanted the Company to put more food in the bank even though the villagers had been successful in their agricultural endeavors. AngloGold Ashanti refused because the Company felt that providing more food was unnecessary and would stifle the villages' sustainable development as independent communities. The bank system has since been abandoned.

Villagers no longer rely on the bank food system and are currently somewhat self-sufficient in obtaining and maintaining their food supply. Presently, the villagers farm or buy the food that they need. Additionally, in 2005, AngloGold Ashanti created and funded the Integrated Development Action Plan (IDAP) to reinforce the agricultural activities and capacity building of the communities in the villages surrounding the mine. AngloGold Ashanti continues, however, to step in when natural disasters or other unforeseen circumstances require. For example, in 2003, Mali suffered from a poor rainy season, leading to significant drought. As a result, most villagers were not able to cultivate or purchase enough food. AngloGold Ashanti provided 100 tons of cereals to the surrounding villages to alleviate some of the effects of the drought and lessen the burden on the villagers. These are isolated assistance programs designed only to provide aid in otherwise disastrous situations.

Sanitation

A third area of modernization for health and safety deals with matters of sanitation and waste disposal. AngloGold Ashanti decided that the best and simplest course of action would be to install modernized versions of the old villages' toilets and domestic waste disposal. There have been challenges in both areas.

AngloGold Ashanti agreed that the new villages should have more modern toilet systems. INR recommended *pungalutho* ("no smell") toilets in the project design. These toilets have proved to be successful in modernized villages throughout southern Africa. After some discussion with the villagers, other NGOs, and the Malian government, AngloGold Ashanti agreed that, although the system was expensive to construct, the *pungalutho* toilets would be installed. AngloGold Ashanti conducted education sessions to train the villagers on the use and maintenance of these new toilets. The toilets were also renamed in the language of the villagers to "*kassatan*" (also meaning "no smell") toilets.

But despite AngloGold Ashanti's efforts, the villagers have abandoned the toilets which are no longer used for their intended purpose. Early in the construction phase, some of the toilets started to develop an odor. Some villagers developed their own remedies for the smell, touted the remedies as "proven," and instructed other villagers on how to "dissipate" the smell. These "remedies" included pouring drain cleaner, throwing used batteries, and other destructive materials into the toilets. The remedies actually exacerbated the odor by destroying the bacteria critical to the operation of the system. The villagers declared the toilets "useless" and refused to use them. Villagers converted some of the structures for other uses and have reverted to the traditional pit latrine used in the old villages.

Domestic waste disposal has been a second area of sanitation concern. Until recently, most of the villagers' waste consisted of natural, biodegradable products. Villagers would leave these products in compost piles on the outskirts of the village and they would eventually decompose. The villagers, however, were recently introduced to plastics. While plastics can be very useful, they do not decompose the way natural products do. The villagers did not properly dispose of these items and continue to leave them on the ground with the biodegradable waste. In an attempt to rectify the situation in the new villages, AngloGold Ashanti installed waste disposal sites on the perimeters of the new villages and instructed villagers to place their waste inside these containers, rather than leaving them on the ground. This has been only partially successful and, currently, the new villages suffer from a significant litter problem. This problem is partly due to the villagers' resistance to using these containers. Additionally, neither the government nor the villages established a communal system for the collection and transportation of waste to pits outside the village.

The lesson that a Company can take from these three health and safety issues is that new projects may not be effective if villagers are not ready to incorporate proposed modernizations into their daily way of life. In the instant case, the villagers were reluctant to change their way of life and adapt to the new systems. AngloGold Ashanti's experience indicates that even when technology could improve the lives of a community, if there is resistance to its use, the attempt at introducing the new technology may not be successful.

MOVING

The next phase of the village resettlement was the transfer phase. Generally, villagers moved to their new villages without incident. The only complication AngloGold Ashanti faced was determining the best method to transport villagers' personal items. The Company was concerned that the villages would not be able to manage the move if each family was responsible for handling its own items. AngloGold Ashanti was also concerned, however, that moving the items for them would result in lost or damaged items as well logistical difficulties in getting the items back to the proper family.

Ultimately, AngloGold Ashanti decided to accept the burden of transporting the items. To accomplish the move, The Company gave each family a container within which they were to pack their personal belongings. Once the families settled into their new homes, these containers were delivered to the house. AngloGold Ashanti's fears were not realized as there were few claims of damaged or lost items.

After the move was complete, villagers were permitted to salvage all useful materials remaining in the old villages both before and after the structures were demolished. Villagers took with them bricks, roof sheeting, door and window frames, and the like, which were used in various ways in the new villages or sold as scrap.

ACCOMMODATING ORIGINAL VILLAGE INHABITANTS VERSUS NEWLY ARRIVED JOB SEEKERS

Promise of new jobs at the mine construction sites brought a large influx of individuals looking for work. By arriving in numbers much larger than AngloGold Ashanti expected, all parties became concerned about how to integrate these “new arrivals” into the communities and the villages. The traditional village system would require new arrivals to a village to negotiate with village leaders for land, work, and assimilation among the original villagers. The resettlement complicated this traditional system. The village leaders saw integration as AngloGold Ashanti and the regional government’s responsibility, but the Company did not believe that it had a duty to compensate these new arrivals. AngloGold Ashanti and the Malian government had placed a limit on the number of shelters that would be built in the new village to maintain as much consistency as possible between the size of the old village and that of the new one. Through this mandate, AngloGold Ashanti and the government had intended that the old procedure for entrance into the community would continue. AngloGold Ashanti intended for the new arrivals to negotiate with the original inhabitants for land, materials, and acceptance. This is why AngloGold Ashanti refused to make accommodations for the new arrivals in Farabakouta and Sadiola. But as this methodology failed, AngloGold Ashanti took a different approach in Niamboulama.

In Farabakouta and Sadiola, AngloGold Ashanti allowed the regional government to deal with and accommodate the new arrivals. The regional government oversaw the allocation of plots to the new arrivals within the new villages and provided assistance to the new arrivals. The regional government determined which of the new arrivals would receive funding for moving and construction costs, and the regional government provided this funding.

As time passed, more and more new arrivals migrated to the new villages. The regional government did not have the resources or capacity to handle this large influx of people. AngloGold Ashanti quickly realized that without the Company’s help, the government would not be able to accommodate the new arrivals and the resettlement project would fail to meet its deadlines. AngloGold Ashanti therefore became increasingly involved with the new arrivals’ settlement in the new villages.

Consequently, AngloGold Ashanti cleared an area for the new arrivals to settle to within the new Sadiola village limits. Those new arrivals who had resided in Sadiola before AngloGold Ashanti announced the resettlement were allocated plots of land in new Sadiola. The plots assigned to new arrivals, however, were less desirable than the ones allocated to original inhabitants. The new arrivals who had moved to old Sadiola after the resettlement was announced were allowed to buy plots that were not otherwise assigned. SEMOS paid the cost of purchasing the plots for some of the new arrivals as well as helped the new arrivals to obtain building materials and construct dwellings.

Initially, the new arrivals were disappointed with their resettlement in Farabakouta and Sadiola. They found that they were poorly treated in comparison to AngloGold Ashanti's treatment of the original inhabitants. The new arrivals also found that their resettlement was poorly planned and that they suffered as a result. The new arrivals have felt particularly hindered by their less desirable plots, which are located much further from the main road. As a result, new arrivals have had less access to business opportunities. Moreover, some of the new arrivals who had plots along the road in old Sadiola prior to announcing the resettlement were not allocated similarly situated plots. Currently, however, the new arrivals have been almost fully integrated into their communities and participate in village management.

AngloGold Ashanti attempted to internalize the lessons learned in Sadiola and Farabakouta when planning for and accommodating the new arrivals in Niamboulama. Instead of ignoring the problem, the Company specifically included accommodations for the new arrivals in the planning phases. AngloGold Ashanti's differing strategy in Niamboulama appears to have been effective. Many new arrivals have since opted to settle in Niamboulama over Sadiola, Farabakouta, or other nearby villages. Moreover, new arrivals in Niamboulama appear to be more satisfied than those in Sadiola and Farabakouta. Additionally, Niamboulama's original inhabitants have been more open and accommodating. Six months after construction there were approximately 400 new arrival households in Niamboulama. Since that time, village leaders and the local community have permitted many more additional new arrivals into the Niamboulama hamlet. Most of them are renting homes that had been built for original inhabitants in the Niamboulama hamlet.

In retrospect, it appears that AngloGold Ashanti could have recognized and anticipated that building the gold mines and the new villages would result in a large influx of new people looking for work. The Company might have also predicted that the government lacked the resources and capacity to handle the influx of people to the area. The Company recognizes and admits that its plans with regard to the new arrivals were "short-sighted" and driven by cost considerations. AngloGold Ashanti learned from its errors and has since taken steps to correct the problems in Farabakouta and Sadiola.

LEARNING FROM ANGLOGOLD ASHANTI'S EXPERIENCE

ANGLOGOLD ASHANTI RECOGNIZED THE IMPORTANCE OF CONSULTATION, COMMUNICATION, AND FLEXIBILITY.

AngloGold Ashanti's resettlement strategy involved extensive community involvement as well as constant negotiation and communication between the Company and the villagers. AngloGold Ashanti created an environment of inclusion, rather than exclusion, and was an active participant in all discussions. For example, AngloGold Ashanti created a joint Public Consultation and Disclosure Plan (PCDP) for Sadiola and Yatela, which continues to operate. The focus of the PCDP is to provide a forum for villagers to give their insight and to resolve their grievances.⁵⁴ The PCDP was one of the tools that ensured that the villagers' rights were protected throughout the resettlement process.

Hiring consultants and other individuals to facilitate communication was another important step AngloGold Ashanti took to preserve the villagers' interests. AngloGold Ashanti

hired two unrelated consultants, INR and ASERNI, to judge, monitor, and report on the social and economic consequences of the resettlement. ASERNI was specifically hired to provide AngloGold Ashanti and the management team with “an understanding and a respect for local culture and traditions” and to ensure that these values were respected throughout the process. These consultants provided the Company with independent review and recommendations on how to resolve contentious issues as well as to spot and report on issues of which AngloGold Ashanti may not have been aware.

AngloGold Ashanti also appointed a full-time community liaison officer to encourage communication between villagers and the Company. This liaison, appointed at ASERNI’s suggestion, acted as a facilitator (*animateur*). A liaison was based in each of the three villages and was responsible for creating and maintaining an open channel of communication between villagers and AngloGold Ashanti. The hope was that villagers would feel more comfortable voicing their opinions and concerns to this facilitator, who would then report those concerns to the Company. The facilitator proved to be invaluable to the villagers, as well as the Company, and resulted in a program of continuous communication that has continued to this day.

In addition to open communication, AngloGold Ashanti entered the resettlement process with an open mind, receptive to compromise and negotiation. This perspective has proved especially helpful throughout the process since disagreements typically result in delays, compromises, and alterations to plans already agreed upon and finalized. AngloGold Ashanti’s management remained as patient and flexible as possible throughout the process and was committed to seeing it through until completion. AngloGold Ashanti credits ASERNI, the community liaison officer, and village facilitators with the speedy and successful resolution of many disagreements, for conducting many dispute resolution meetings, and easing communications between the Company and villagers.

A commitment to open communication and consultation gave AngloGold Ashanti a more grounded understanding of the villages, the community, and the villagers’ concerns. Such personal involvement gave AngloGold Ashanti management better, more accurate information that the Company would not have otherwise received. This information led to positive results that proved to be crucial at numerous points during the resettlement. AngloGold Ashanti’s stance on flexibility, compromise, and openness ensured the completion of the resettlement within the projected time frame and all parties’ satisfaction with the end result.

INCREASED COSTS

As the resettlement process progressed, AngloGold Ashanti found that expenses continued to escalate beyond projected costs. In an effort to reduce expenditure, AngloGold Ashanti revised the budget at least three times during the resettlement project. The increased expenses were a product of a number of factors including prolonged negotiations, revising plans as part of those negotiations’ resolutions, the arrival of an unanticipated number of new arrivals to the villages, and continued maintenance and management of the water supply systems. But since timely completion of the resettlement process was one of AngloGold Ashanti’s top priorities, the Company agreed to those costs as necessary. Meeting the agreed upon deadlines meant that the resettlement had no effect on mining operations or explorations of the Sadiola or

Yatela mines. As a result, the additional, unanticipated costs were offset by the timely generation of revenues by the gold mines.

RECOGNIZING AND RESPECTING VILLAGERS' RELIGIOUS AND TRADITIONAL BELIEFS

AngloGold Ashanti made a noteworthy attempt to give due weight to villagers' faith and traditions, and made every effort to accommodate their beliefs. For example, as discussed above, AngloGold Ashanti accommodated the villagers' fears of evil tree-dwelling spirits when picking new village sites. Additionally, AngloGold Ashanti and the villagers conducted traditional ceremonies, which AngloGold Ashanti funded and attended, during various phases of the resettlement process in compliance with the villagers' requests.

That is not to say, however, that AngloGold Ashanti obliged all of the villagers' requests as full compliance was not always possible. For instance, in Sadiola, the villagers believed their ancestors had purchased the original Sadiola plot of land with two golden goat skins. As a result, the Sadiola chief wanted two golden goat skins from AngloGold Ashanti. AngloGold Ashanti understood the chief's wishes, yet obtaining two golden goat skins was impossible. Therefore, AngloGold Ashanti entered into negotiations with the local leaders aware that the Company would need to provide suitable compensation for the two golden goat skins. Eventually, the parties were able to negotiate an equivalent cash value for the golden goat skins. These negotiations illustrate AngloGold Ashanti's commitment to respecting the religious and traditional beliefs of the village inhabitants. In doing so, AngloGold Ashanti built trust and rapport among the parties, a necessary ingredient for successful relations.

CONTINUED MONITORING AFTER THE RESETTLEMENT

AngloGold Ashanti hired an impartial and independent NGO, INR, to monitor the resettlements throughout the process. This monitoring continued after the resettlements were complete. INR produced quarterly reports during various phases of the resettlement. The purpose of these reports was to provide consistent and independent reporting on the resettlement plan, as well as to collect and record data for the evaluation of the villagers' lives before the resettlement as compared to during and after. INR's methodology consisted mostly of interviewing village leaders, corporate management and other implementation agents, such as local contractors, architects and government representatives. AngloGold Ashanti also gave INR access to key documents on both the old and new villages. INR additionally identified both existing and potential issues as well as recommendations. Once INR's reports were completed, they were circulated to all stakeholders in the mining and resettlement projects. Thus far, INR has produced five monitoring reviews. The last of the five was undertaken after the villagers had moved to, and had time to settle in, the new villages. AngloGold Ashanti continues to try to comply with the recommendations made in these reports. Furthermore, the continued and consistent monitoring has provided AngloGold Ashanti the opportunity to foresee problems before they arise, to anticipate future issues, and to make accommodations in order to prevent the escalation of existing problems. As a result, villagers are more content in the new villages.

RECOMMENDATIONS DERIVED FROM ANGLOGOLD ASHANTI'S EXPERIENCE

AngloGold Ashanti’s resettlement of the three villages achieved the best possible results in less than ideal circumstances. Certainly, resettlement of a community should be avoided wherever and whenever possible as mismanagement of a resettlement process can have disastrous effects on the community’s culture, health, and prosperity. Where a community’s resettlement cannot be avoided, however, AngloGold Ashanti’s implementation of their resettlement plan serves to illustrate methods for success as well as possible pitfalls. Below are some recommendations based on the AngloGold Ashanti example.

RECOMMENDATIONS

A company that is faced with undertaking a resettlement may want to consider some of the following suggestions:

<p>GENERALLY</p> <ul style="list-style-type: none"> ➤ When deciding between two or more options as part of the resettlement, consider which option will result in the least amount of disruption to the communities; ➤ Formulate and possess a thorough understanding of the affected communities, the country’s resources, government, and infrastructure; ➤ Continually monitor and report on the peoples’ progress and the resettlement’s impact; ➤ Be cautious of the potential for resettlement to result in landlessness, joblessness, homelessness, marginalization, food insecurity, loss of access to common resources, loss of access to public services, social breakdown, and risks to host populations.⁵⁵ <p>PLANNING FOR RESETTLEMENT</p> <ul style="list-style-type: none"> ➤ Develop a realistic and flexible plan for resettlement; ➤ Be prepared for deviations from the original plan and recognize that unexpected roadblocks will materialize from time to time; ➤ Determine appropriate deadlines from the beginning, taking into account the country’s resources, trade agreements, access to materials, and transportation systems; ➤ Hire independent consultants from unaffiliated NGOs with proven track records for impartiality; ➤ Anticipate and plan for “new arrivals” who will likely flock to a site of new employment opportunities. 	<p>CONSULT AND COMMUNICATE EXTENSIVELY WITH:</p> <ul style="list-style-type: none"> ➤ Community Leaders ➤ Unrepresented Community Members ➤ National and Local Governments ➤ International Regulatory Bodies ➤ Non-Governmental Organizations ➤ Human Rights Agencies <p>WORKING WITH THE COMMUNITY</p> <ul style="list-style-type: none"> ➤ Begin the resettlement process with a willingness to negotiate and be flexible; ➤ Foster an environment and relationship of trust among all parties within the resettlement process; ➤ Hire liaisons for each affected community to serve as a go-between the company and the community so individuals feel more comfortable voicing their complaints; ➤ Take steps early in the process to minimize the communities’ dependence on the company for funds, management, sustenance, etc.; ➤ Communicate to the government and the affected communities that deviations once the resettlement plan is agreed to will have a significant impact on the project’s cost and completion; ➤ Manage expectations within the community and do not be afraid to say “no” upfront; ➤ Agree to dispute resolution mechanisms in the beginning of the project to deal with problems that arise; ➤ Consider and include a contingency plan for the marginalized, elderly, disabled, or otherwise handicapped members of the community; ➤ Focus the community on achieving long-term sustainability and self-sufficiency.
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CONCLUSION: ISSUES FOR THE FUTURE

Looking forward, AngloGold Ashanti is contemplating how future mine closures will affect the surrounding communities, particularly those that were resettled as a result of the gold mines. The closures were originally planned for 2008 and 2012. However, due to new development projects (Deep Sulphide at Sadiola and Pushback projects at Yatela), Yatela may not close until 2010, and the Sadiola mine may not close until 2024.

Using methods developed during the resettlement process, AngloGold Ashanti is currently preparing the villagers for the impending mine closures through systems of open communication and negotiation. In 2005, the Company instituted an Integrated Development Action Plan (IDAP) that focuses on ensuring sustainable livelihoods for the local villagers after the mines close. Some suggestions are bee-keeping, agriculture, and cattle-fattening. In addition, AngloGold Ashanti hosts an annual stakeholders' consultation workshop. These workshops bring together Company representatives, NGOs, the Malian and local governments, and other parties involved in the Sadiola and Yatela mines. AngloGold Ashanti recognizes that it cannot make decisions for the community, so the Company has placed great value on giving the villagers tools and resources to plan and prepare for the future. Thus, the theme of the 2006 Annual Meeting was the upcoming mine closures. For three days, approximately 100 individuals discussed and created action plans that would best prepare the communities for the mine closures. A Follow-Up Committee was then developed to continue examining the recommendations made at the Annual Meeting. Also drawing from its experience during the resettlement process, AngloGold Ashanti has already commissioned independent consultants to monitor and report on the villages for at least five years after the mines' closure. The Company hopes these future reports will provide insight into ways the Company can best help the villages cope.

A company that chooses to become involved in a resettlement process should be commended. Resettlement is a complex, long, and expensive project, one wrought with roadblocks, obstacles, and impediments. With proper planning and a flexible attitude, a corporation can be a proactive pillar of human rights, as AngloGold Ashanti was, and is, with respect to resettlement of the Sadiola, Farabakouta and Niamboulama villages.

SOURCES

The information and materials in this case study were obtained from a variety of sources. Most of the facts about the villages, the resettlement, and some of AngloGold Ashanti's decisions were taken from the case study *Four Years After the Move: Village Relocation at Sadiola and Yatela Gold Mines, Mali, West Africa*, A.G. Mackenzie, et al., 2004. Additionally, the author regularly consulted the case study *Sustainability Challenges: Community Development Initiatives at Sadiola and Yatela Gold Mines, Mali, West Africa*, A.G. Mackenzie and J. Pooley, 2002. The author also consulted the publications of certain independent organizations and scholarly articles, citations to which have been included in endnotes throughout the case study. Finally, the author wishes to acknowledge the significant contribution of AngloGold Ashanti and its affiliates to the completion of this case study. In particular, the

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ENDNOTES

¹ The company engaged in the village relocation that is the subject of this case study was Anglo American Corporation's Gold Division. Through a series of mergers, the AAC Gold Division became AngloGold Limited in April 1998 and then AngloGold Ashanti Limited in March 2004.

² AngloGold Ashanti, Ltd., Corporate Profile, *available for download at* <http://wwwng.alogold.com/About/Corporate+Profile.htm>.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ AngloGold Ashanti Ltd., Corporate Fact Sheet, *available for download at* <http://www.anglogold.com/About/Corporate+Profile.htm>.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² AngloGold Ashanti Ltd., 2005 Country Report, Mali, at 2, *available for download at* <http://www.anglogoldashanti.com/About/Regional+and+Operational+Information.htm>.

¹³ *Id.*

¹⁴ *Id.* at 3.

¹⁵ *Id.*

¹⁶ The World Bank, Mali Country Brief Overview, *available at* www.worldbank.org/mali.

¹⁷ United Nations Development Programme, Human Development Report 2005 *available at* www.hdr.undp.org/reports/global/2005/pdf/HDR05_HDI.pdf.

¹⁸ *Id.*

¹⁹ Envirolink, 1994. Environmental Impact Assessment of Sadiola Hill Gold Mine, Republic of Mali.

²⁰ *See* Universal Declaration of Human Rights, G.A. Res. 217A (III), art. 3, U.N. Doc. A/810 (Dec. 10, 1948).

²¹ *Id.*

²² *Id.* at art. 5.

²³ *See* International Covenant on Civil and Political Rights, opened for signature Dec. 16, 1966, art. 12, S. Exec. Doc. E, 95-2 (1978), 999 U.N.T.S. 171 (recognizing the rights to liberty of movement and freedom to choose residence); International Covenant on Economic, Social and Cultural Rights, opened for signature Dec. 16, 1966, art. 11, 993 U.N.T.S. 3 (recognizing the rights to adequate food, clothing, housing, and fair distribution of food) (Mali is a State party to the ICESR) [hereinafter ICESR].

²⁴ ICESR, *supra* note 23, at art 11; *see also* General Cmt. No. 7 of the United Nations Committee on Economic, Social and Cultural Rights on forced evictions.

²⁵ *Id.*

²⁶ *Id.*

²⁷ United Nations Global Compact, The Ten Principles, *available at* <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>.

²⁸ *Id.*

²⁹ Simmons, Marco, *The Emergence of a Norm Against Arbitrary Forced Relocation*, 34 Colum. Hum. Rts. L. Rev. 95, 98 (2002).

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ Comprehensive Study Prepared by Mr. Francis M. Deng, Representative of the Secretary-General on the Human Rights Issues related to Internally Displaced Persons, Pursuant to Commission on Human Rights Resolution 1992, U.N. ESCOR, Comm'n on Hum. Rts., 49th Sess., Annex, Agenda Item 11(a), P 25, U.N. Doc. E/CN.4/1993/35.

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- ³⁴ These are concerns noted in the MMSD 2002 Report, *Breaking New Ground: the Report of the Mining, Minerals and Sustainable Development Project*. Earthscan Publications, London.
- ³⁵ Sheridan Bartlett, Urban Children and the Physical Environment, City University of New York and the International Institute for Environment and Development (London), available at: <http://araburban.org/childcity/Papers/English/Sheridan%20Barlett.pdf>.
- ³⁶ See World Bank Group, Operational Policy 4.12: Involuntary Resettlement, Dec. 2001 (Revised Apr. 2004), available at <http://lnweb18.worldbank.org/ESSD/sdvext.nsf/65ByDocName/Policy>.
- ³⁷ *Id.* at para. 1.
- ³⁸ *Id.* at Introduction (“OP 4.12 (revised April 2004) applies only to projects that are governed by OP/BP 6.00, *Bank Financing*.”). OP/BP 4.12 can be accessed through the World Bank’s website, www.worldbank.org.
- ³⁹ The International Finance Corporation. See <http://www.ifc.org>.
- ⁴⁰ The International Finance Corporation: About IFC, available at <http://www.ifc.org/about>.
- ⁴¹ International Finance Corporation. Performance Standard 5: Land Acquisition and Involuntary Resettlement (Apr. 30, 2006) available at [http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_PS5/\\$FILE/PS_5_LandAcqInvolResettlement.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_PS5/$FILE/PS_5_LandAcqInvolResettlement.pdf).
- ⁴² Performance Standard 5 is available on the IFC’s website, www.ifc.org.
- ⁴³ Organisation of Economic Co-operation and Development, Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects (1992) available at <http://www.oecd.org/dataoecd/37/27/1887708.pdf> [hereinafter OECD Guidelines].
- ⁴⁴ See The Organisation for Economic Co-operation and Development, About OECD, available at <http://www.oecd.org/about/>.
- ⁴⁵ *Id.*
- ⁴⁶ The OECD Guidelines may be obtained on the OECD’s website, www.oecd.org. See *supra* note 54, at Introduction.
- ⁴⁷ See Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, Miloon Kothari 2006, U.N. ESCOR, Comm’n on Hum. Rts., 62nd Sess., Provisional Agenda Item 10, U.N. Doc. E/CN.4/2006/41.
- ⁴⁸ The majority of the facts about the villages, the relocation and some of AngloGold’s decisions were taken from the case study *Four Years After the Move: Village Relocation at Sadiola and Yatela Gold Mines, Mali, West Africa*, A.G. Mackenzie, et. al., 2004 [hereinafter *Four Years After the Move*].
- ⁴⁹ Jul-Larsen, Eyolf, et. al., “Socio-Economic Effects of Gold Mining in Mali: A Study of the Sadiola and Morila Mining Operations,” Chr. Michelsen Institute Report, at 19 (2006).
- ⁵⁰ *Four Years After the Move*, *supra* note 58, at 9.
- ⁵¹ *Id.*
- ⁵² AngloGold Ashanti, Ltd. 2005 Country Report, Mali, at 1, available for download at <http://www.anglogoldashanti.com/About/Regional+and+Operational+Information.htm>.
- ⁵³ *Id.*
- ⁵⁴ *Id.* at 5.
- ⁵⁵ MMSD 2002 Report, *Breaking New Ground: the Report of the Mining, Minerals and Sustainable Development Project*. Earthscan Publications, London.