

proforest



Social Impact Assessment for Ghana Oil Palm Development Company (GOPDC) Limited

Kwae and Okumaning Operations

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About Proforest

Proforest is an independent company working with natural resource management and specialising in practical approaches to sustainability.

Our work ranges from international policy development to the practical implementation of requirements on the ground, with a particular focus on turning policy into practice. Our extensive and up-to-date knowledge of the international context ensures that our work for individual companies and organisations is set within an appropriate framework. At the same time, we are able to bring a wealth of current practical experience to policy development processes and debates.

The Proforest team is international and multilingual and has a broad variety of backgrounds, ranging from industry to academia and NGOs. This allows us to work comfortably in many types of organisations, as well as in a range of cultures. We have in-house knowledge of more than 15 languages, including Mandarin, Malay, French, Spanish and Portuguese.

Proforest was set up in 2000. Our expertise covers all aspects of the natural resources sector, from forestry and agricultural commodities to conservation, supply chain management and responsible investment.

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Executive Summary

Introduction

In March 2014, Proforest was contracted by GOPDC to carry out Social Impact Assessment (SIA) for its Kwae and Okumaning operations. This was in fulfilment of the company's commitment to meeting the RSPO certification requirements and also on their own commitment to contribute to the development of its host communities based on informed understanding of the impact of the company's operations on communities in its catchment area. This report details the methodology used, the process steps and the findings of the SIA undertaken as part of the overall impact assessment of the company's oil palm operations.

Brief Description of GOPDC

GOPDC, a subsidiary of the Siat Group (nv Siat sa) of Belgium, is an integrated agro-industrial oil palm company located at Kwae and Okumaning in the Kwaebibirem and Denkyembour Districts of the Eastern Region of Ghana. The company specialises in the cultivation of oil palm, extraction of crude palm oil and palm kernel oil. GOPDC produces refined specialty oils for use by the food industry. In 2012, GOPDC diversified into the cultivation of rubber trees (*Hevea brasiliensis*). GOPDC was originally a state owned enterprise which was later acquired by the SIAT Group from the Government of Ghana under the Divestiture Implementation Programme, making GOPDC a privately owned company. The Company operates in two estates making up about 13000ha; the Kwae estate with a total land area of 8,000 ha and the Okumaning estates with a total land area of 5,000 ha. The total area currently planted is about 7,000 ha with the remaining land unplanted. These two estates form the nucleus of the company's operations. GOPDC also operates smallholder and outgrower schemes which supplement palm fruit supply from the nucleus estates to the mill. The Company's processing facilities include a palm oil mill, a palm kernel oil mill, a refinery and a palm kernel cake plant. The finished products include Crude Palm Oil (CPO), Crude Palm Kernel Oil (CPKO), Palm Kernel Cake (PKC), Palm Kernel Cake Pellets (PKCP), Refined Bleached Deodorized Oil (RBDO), Refined Palm Kernel Oil (RPKO), Palm Fatty Acid Destillate (PFAD), Olein, Super Olein and Stearin.

Objective and approach to the Study

The overall objective of this assessment is to conduct a comprehensive and participatory Social Impact Assessment of GOPDC's operations at Kwae and Okumaning including both planted and unplanted areas in line with the Ghanaian legal requirements, as applicable, and to the Roundtable on Sustainable Palm Oil (RSPO) certification compliance management requirements. This include establishment of baseline conditions and to identify and analyse the actual and potential impacts of GOPDC's operations and to provide appropriate recommendations for the company to adopt and implement in order to avoid or mitigate the identified potential negative impacts whiles enhancing the positive ones. Adoption and implementation of the output and the recommendations of this assessment is expected to guide GOPDC operations in a manner that enhances its socio-economic benefits of the company's operations to the population of the catchment communities and ultimately guarantees social license and overall sustainability of the project.

In order to deliver on this objective, the approach adopted for this social impact assessment was based on the RSPO and other international best practice requirements including active

participation of relevant stakeholders and the Ghana national requirements for a project of this nature. The key activities in the social impact assessment process included:

- Review of demographic data from the 2010 Population and Housing Census (PHC)
- Review of relevant legal requirements
- Review of relevant planning and policy frameworks for the area
- Review of information from studies carried out in the area and the concession acquisition process, including consultation processes with the communities
- Site specific information collected during the field survey and consultations with interested and affected and would-be affected parties
- Identification and assessment of the social issues associated with the ongoing project
- District and communities level consultations with the wider and external stakeholders and local populations to solicit their inputs into the assessment process and the proposed recommendations.

A number specific activities were carried out during this assessment in phases. These include:

Scoping of the assignment: This is the project planning stage where the limits of the impact assessment were defined. This stage also involved an inception meeting with the management of GOPDC to agree on the definition and scope of the assessment.

Gathering of secondary information through review of documents, maps, legal and regulatory requirements: The assessment team gathered and reviewed secondary data and information including demographic data from the 2010 Population and Housing Census carried out in Ghana by the Ghana Statistical Service and the Medium-Term Development Plans of the Kwaebibirem and Denkyembour Districts of the Eastern Region. Other relevant legal requirements including the Ghana Labour laws were also reviewed alongside relevant planning and policy framework document such as the Oil Palm Development Master Plan and reports of studies carried out on GOPDC operations as well as the company's own policies.

Identification of impacts: This stage of the assessment entailed developing a profile of the affected and potentially affected population groups and communities. It also involved collecting information about the potential impacts on the populations and communities using social impact assessment tools such as key informants' interview, focus group discussions, household surveys and other stakeholder meetings.

Assessment of perceived and potential impacts: This is where actual and potential impacts were identified based on objective evidence gathered in the previous processes, recognising the nature and size of the impacts as well as the type and strengths of the objective evidence gathered during the various stages of the assessment.

Development of recommendations: This stage of the assessment process entailed development of series of recommendations based on impacts identified and inputs from the various stakeholders particularly the population of the catchment communities. These recommendations are expected to be adopted and implemented by GOPDC so as to enhance the contributions of the project to the socio-economic development of the population and the communities within the project catchment area.

Monitoring and evaluation: Monitoring impacts of intervention on population and local communities enhances understanding and appreciation of the impacts of the intervention. This stage of the assessment included identification of indicators or an agreed method for monitoring the implementation of the proposed mitigation and enhancement actions.

The identification of real and potential social issues as well as the positive impacts associated with the GOPDC's operations was based on observation during the field visits, consultations with communities and the wider stakeholders and Proforest's experience with similar projects.

Summary of Key Findings

The major findings of the SIA are summarised under positive and negative impacts. The significance of the impacts has also been highlighted.

Actual and potential positive impacts

The main positive impacts of GOPDC operations include:

- Employment creation and income generation
- Contribution to local community development
- Support to educational infrastructure and quality of education in the area
- Support to customs and traditions of the area
- Contribution to district and national revenue
- Capacity building for local farmers
- Provision of ready market for FFBs produced by independent smallholder farmers

Employment and income: The findings of this assessment indicate that GOPDC currently employs over 3000 workers, making it one of the major employers in the Kwaebibirem and Denkyembuor Districts. In addition to the direct employment, GOPDC contributes significantly to improving household income through regular monthly income from wages and salaries and thus enhancing the purchasing power of the local population which indirectly enhances business opportunities such as petty trading in the area. The annual land rent payments on the land being used by GOPDC is also a source of income to the landowners.

Furthermore, GOPDC provides a ready market for oil palm fruit from independent smallholder farmers in the districts, thus providing steady flow of income to farmers and contributing to poverty reduction in its catchment area.

Contribution to community development: GOPDC has a Social Responsibility Policy which states the company's commitment to set aside 0.5% of its annual turnover and 0.5% of its net profit to fund community development projects, effective from 2010. Prior to this period, GOPDC had already undertaken a number of developmental projects in the host communities. Information gathered during the household surveys, community meetings, meetings with relevant institutions and discussions with company management confirmed the following contributions to community development

- *Water and sanitation:* the company has provided boreholes for the people of Kusi. It has also provided the funding for a small community water system in Kwae and Anweam, in addition to funding the construction of a community KVIP toilet in Anweam.
- *Electricity supply:* GOPDC extended the national electricity grid into Okumaning, Kusi and Asuom-Minta. Furthermore, the company currently operates a 30MT/hr boiler and a 1.5MW turbine which generate electricity not only to power its mills, but also supply power to staff living quarters. There is also a 2.5MW turbine under repairs expected to be commissioned in August 2014, in addition to another 30MT/hr boiler to be installed in 2014/15. These will bring GOPDC's total installed

capacity to 4MW which will greatly reduce the company's dependence on national power supply, thereby making more energy available for other users.

- *Education:* GOPDC has a basic school on the Kwaie estate which it continued to provide diverse forms of support to help improve the quality of education provided by the school in particular and in the catchment area in general. The company has renovated the classroom block in Kwaie and is putting up a 6 unit classroom block in Anweam, in addition to a library in Kusi. It also provides diverse forms of support for education in the wider district.
- *Healthcare:* GOPDC has a clinic that provides healthcare not only to its staff and their dependants, but also the surrounding communities. The Company also supported the construction of the Community Health Post (CHPS Compound on Okumaning) and is currently funding the construction of the nurses' quarters, also in Okumaning.
- *Mobile phone communication:* GOPDC has installed a telecommunication mast on its premises which provides mobile phone signal to neighbouring communities.

Support for customs and traditions: The chiefs and elders of the host communities indicated that GOPDC has been providing continual financial and material support to communities during the annual Ohum Kan and Ohum Kyire festivals. Secondly, the Company gives 25% of communities' annual developmental entitlements, as per the social responsibility policy, to the chiefs and elders to cover administrative costs of running the traditional councils. The company also preserves sites within its concessions which are of cultural importance to the communities. These contributions help in maintaining and preserving the culture and traditions of the local communities in the company's operational area.

Contribution to District and National Revenue: The findings of this assessment indicated that GOPDC is one of the biggest contributors to District revenue in the Kwaebibirem District through the payment of Business Operation Permit fees and Property Rates (a similar trend is expected in the Denkyembuor District). Additionally, revenue from personal income tax of the company's employees (PAYE Tax) and other statutory payments (such as corporate taxes) can also be a significant source of income to the government.

Capacity building for local farmers: GOPDC has smallholder and outgrower schemes. In order to ensure the farmers implement best agronomic social and environmental practices to increase the yield from their palm plantations, the company provides training and capacity building measures on best practices in oil palm cultivation. The skills and expertise gained by the local farmers from the training and capacity building measures being provided by GOPDC on best agronomic practices and sustainable palm oil production provided are not only being applied to the smallholder and outgrower oil palm plantations but also to local farmers private farms thereby enhancing efficiency and sustainable practices in palm oil production in the area. This also has indirect potential impact of increasing agricultural productivity in the area thereby contributing to food security.

Negative impacts and challenges

The main challenges associated with GOPDC operations include:

- Damage to local roads
- Pollution
- Pressure on farmlands and implications on food sufficiency
- Displacement of people

- Influence of migrant workers on local culture

Damage to local roads: Heavy-duty vehicles owned by GOPDC and its associates regularly use the public roads in the communities, with the potential of causing damage to these roads, especially in the rainy season. The community roads are used for the haulage of FFB by outgrowers, smallholders and the company on daily basis. Additionally, the finished products are transported using these same roads. Although it is the responsibility of government to maintain the community roads, GOPDC, being probably the major road user in the area, undertakes periodic maintenance of some of them.

Pollution: Findings of the assessment revealed that:

- In the past, partially-treated palm oil mill effluent (POME) from GOPDC's operations was discharged into rivers and streams which serve as sources of water to the people of the area. Given that the company has had challenges meeting the effluent parameters prescribed by EPA, the effluent discharge polluted the water. A typical example is the pollution of the River Bobri that flows through Kwae. The company is currently installing a biomethanation plant which would convert POME to biomethane as a means of resolving the problem. Furthermore, other rivers flowing through GOPDC's concessions could potentially be polluted by agrochemicals that are used in the plantations thereby posing potential health hazards to aquatic life forms and communities which depend on them.
- The dust from the ungravelled/untarred roads, smoke and particulate pollutants from the mills, methane from the effluent ponds and chemical fumes from fogging activities constitute air pollutants with potential health implications.

Scarcity of arable lands and food sufficiency:

The most recurring theme in the host communities during the assessment was the increasing cost of food. Given that a sizeable proportion of various stool lands became part of GOPDC's concessions (during acquisition of the lands by government), there is pressure on the available land in some host communities, particularly in the face of increasing population. Furthermore, since the presence of GOPDC offers ready market for oil palm, some farmers have switched from food crop farming to oil palm cultivation. Other residents of the local communities also switched occupation from farming to GOPDC employment, trading, transport operation, etc. given the opportunities presented by GOPDC's presence and operations. Others have also migrated to other places in search of farmlands. The operations of other companies in the area, particularly the mining companies, have had similar effects. Consequently, there is a shortfall in local food production, hence the increasing cost of food in the communities; it was evident from the household survey results that food was the highest expenditure item in households. It should however be noted that the opportunities presented by GOPDC's operations has enhanced the purchasing power of local residents thus compensating, to some extent, for the increasing cost of food.

Displacement of people: Occasionally, GOPDC evicts persons from farm lands and settlements which are within the company's concessions. Current examples are the pending evictions in the Beposo and Congo communities. It must be emphasised though that the company follows the legal due process which includes payment of compensation to persons affected by the evictions based on valuations (crops and property) approved by the Technical Committee of the Lands Valuation Division of the Lands Commission. There are however major concerns over the delay in payment of such compensation (the time lag between approval and payment); in some cases, payments are made several months after approval. This has adverse effects on the livelihoods of affected persons since they are

unable to cultivate the lands in question and may not have the money to relocate elsewhere.

Influence of migrant workers on local culture: During the community consultations, the chiefs and elders of some of the communities stated that the influx of migrant workers into the area to look for job opportunities with GOPDC could have varying degrees of impact on the traditional belief and value systems of the local communities. For instance, the natives of Asuom and Asuom-Minta do not fish from River Apaam because it is a taboo. The elders however mentioned instances in which some migrant workers were alleged to be fishing from the river. Influx of workers also has the potential of breeding antisocial behaviour in the local communities.

Proposed Social Impact Mitigation Measures

The following mitigation measures have been proposed for adoption and implementation to address the significant real and potential negative social impacts in order to enhance the project's social acceptability and also to maximise the benefits of the project to the local population.

1. ***Damage to Roads:*** GOPDC should develop a Road Maintenance Plan and undertake more frequent maintenance of roads, particularly those linking the catchment communities that may be damaged by its operations.
2. ***Pollution:***
 - GOPDC is currently constructing a biomethanation plant which, when completed, will convert the bulk of mill effluent generated into biomethane. It is recommended that the company completes work on the biomethanation on schedule. In the interim, the company should endeavour to treat the POME to meet the prescribed EPA guideline parameters for effluent discharge. The Company should also initiate an assessment of the current state of River Bobri and come up with an action plan for its possible rehabilitation.
 - GOPDC should continually pursue cleaner production in the mill that reduces the amount of smoke released.
 - GOPDC should device practical means of reducing dust pollution. A low cost remedy would be the sprinkling of water (surface treatment) on frequently used roads near community dwellings and those around the company's living quarters and offices in the dry season. The company could also undertake surface improvement (such as gravelling) where permissible. GOPDC should also enforce speed limits on the roads in question to reduce dust from vehicular movement.
 - GOPDC is currently delineating riparian buffer zones as part of its drive towards RSPO certification. It is recommended that the company continues to enforce appropriate management of the riparian buffers through prohibition of vegetation clearing and use of agrochemicals
 - GOPDC should continually explore possible alternatives to chemical fogging for the control of the leaf miner, as part of an Integrated Pest Management Plan. The Company should, in the interim, find out the potential health hazards of the chemical fumes from the fogging and take appropriate steps to protect the communities accordingly.
3. ***Scarcity of arable land and food sufficiency:*** Considering the fact that agriculture is the main occupation of the people in the GOPDC operational area, the company should look into the possibility of facilitating (in partnership with the District Assemblies and Agric Offices) supply of inputs, training and capacity-

building measures aimed at increasing staple food crop production. Where land availability is a constraint, the company could support the District Assembly to facilitate land acquisition (on lease) for local farmers to undertake food crop production. The company can also explore opportunities for supporting processing of major farm products such as cassava. This can improve the local economy and create additional jobs in addition to those that have been created by GOPDC to help improve rural unemployment.

4. **Displacement of people:** GOPDC has a Resettlement Action Plan that clearly maps out the processes and modalities for evicting farmers and communities within its concession. Compensations have already been paid to some evicted communities and farmers based on the modalities set out in the Resettlement Action Plan. However, there seems to be a delay in payment of compensation to some affected persons. It is therefore recommended that the company speeds up payment of compensations to affected persons soon after the sum has been approved by the Land Valuation Division.
5. **Influence of migrant workers on local culture:** the assessment revealed that GOPDC, as an entity, respects the culture and traditions of the local communities. There is however the concern that some migrant workers may not be necessarily respecting these traditions. It is thereby recommended that the company should educate its workers on the need to respect the beliefs, values and customs of the communities. This could be incorporated into the weekly safety talk programme that the company has instituted.

Summary of the social impacts of GOPDC's operations

Impact area	Groups impacted	Significance of impact (No mitigation)	Significance of impact (With mitigation)
Employment creation and business opportunities (ready market for oil palm)	<ul style="list-style-type: none"> • GOPDC workers • Outgrowers • Scheme smallholders • Independent smallholders • Local communities 	High (Positive impact)	High (Positive impact)
Increased revenue	<ul style="list-style-type: none"> • Host communities • The Akyem Abuakwa Traditional Area • District Assemblies • Central Government 	High (Positive impact)	High (Positive impact)
Contribution to education and healthcare	<ul style="list-style-type: none"> • Host and neighbouring communities • GOPDC workers and their families 	High (Positive impact)	High (Positive impact)
Contribution to poverty reduction	<ul style="list-style-type: none"> • Host and neighbouring communities • Outgrowers 	High (Positive impact)	High (Positive impact)

Impact area	Groups impacted	Significance of impact (No mitigation)	Significance of impact (With mitigation)
	<ul style="list-style-type: none"> • Smallholders • GOPDC workers 		
Training and capacity building for sustainable oil palm production	<ul style="list-style-type: none"> • Scheme smallholders • Outgrowers • Independent smallholders 	High (Positive)	High (Positive)
Contribution to rural infrastructural development (water, sanitation, communication)	<ul style="list-style-type: none"> • Host communities • GOPDC staff living in the local communities 	High (Positive impact)	High (Positive impact)
Support for customs and traditions	<ul style="list-style-type: none"> • Host communities 	High (Positive impact)	High (Positive impact)
Presence of plantation workers and potential impacts on local social structures	<ul style="list-style-type: none"> • Local communities 	High (Negative impact)	Low (Negative impact)
Potential risk of anti-social behavior due to influx of migrant workers	<ul style="list-style-type: none"> • Local communities 	High (Negative impact)	Low (Negative impact)
Land scarcity, food insufficiency and high cost of food	<ul style="list-style-type: none"> • Host communities • GOPDC workers 	Medium (Negative impact)	Low (Negative impact)
Water and air pollution	<ul style="list-style-type: none"> • Local communities • GOPDC workers 	High (Negative impact)	Low (Negative impact)
Exposure to health and safety risks	<ul style="list-style-type: none"> • Local communities • GOPDC workers 	High (Negative impact)	Low (Negative impact)
Damage to infrastructure (e.g. roads)	<ul style="list-style-type: none"> • Local communities 	Low (Negative impact)	Low (Negative impact)
Displacement of people	<ul style="list-style-type: none"> • Host communities • Squatter communities • Squatter farmers 	High (Negative impact)	Medium (Negative impact)

When proposed mitigation measure are implemented, it could result in significant changes in the impacts of GOPDC's operations as shown in the summary table above.

General Conclusions and Recommendations

Based on the findings of this assessment, it appears that although some negative impacts of GOPDC's operations exist, the communities and wider stakeholders generally admit that the company's operations have overall net positive impacts on the population and

communities in the area and the districts as a whole. In order to optimise the social impacts of the Company's operations, it is recommended that:

1. GOPDC should take a critical look into the stakeholder recommendations for addressing key issues raised by various stakeholders (presented in Sections 5 and 7). This will go a long way to assist in enhancing the positive social impacts of the Company's operations whilst minimizing the negative ones.
2. GOPDC should develop a detailed **Social Impact Mitigation Action Plan** (with timelines, and resources) that incorporates the recommended impact mitigation measures.
3. As much as GOPDC seeks to undertake community development projects based on the proposals received from communities without the company's interference, GOPDC should go a step further to verify that the proposals from the communities were the result of wider community consultations rather than the machinations of a few people. This would ensure support for projects from all sections of the community and avoid the unpleasant situation in Kwaie where the youth stalled the construction of a classroom block because they were not in favour of the site chosen by the chiefs and elders. In this example, it is quite clear that the youth were not consulted when deciding where the project should be situated. The youth, when consulted during the SIA explained that they were not against the construction of the classrooms but were against its siting.
4. GOPDC should continue to insist on directly implementing proposed community development projects or having oversight responsibility in their implementation rather than providing money to the chiefs and elders to implement them. This will avoid the situation in which funds given to the community leaders were not used for the intended projects and could not be accounted for (e.g. funds for renovating the palace in Asuom).
5. GOPDC should engage the District Assembly to follow up with the Ghana Water Company in Koforidua regarding the small community water system in Kwaie and Anweam which the company has paid for. The implementation of this project should resolve the recurrent water problem in Kwaie almost permanently.
6. GOPDC should collaborate closely with the various District Assemblies to identify areas of possible synergies for community development.
7. It was evident from the assessment that GOPDC does not actively communicate with local communities and other stakeholders. It is therefore recommended that the company should engage in a continual process of active stakeholder engagement and communication. It is thus strongly recommended that GOPDC develops and implements an open, transparent and accessible communication channels with all the local communities in its catchment area and other relevant communities that are likely to be affected by the company's operations. This should include development and implementation of a fair and accessible mechanism for resolving grievances and for payment of compensations to individuals and local communities in the unlikely event of damages to personal properties or harm caused as a result of implementing activities linked to the company's business in the area

Project fit with national agricultural policy

It is undeniable fact that agriculture is the backbone of the Ghana's economy. The formal and informal employment attributable to the agricultural sector constitute about half of the population. The sector accounts for almost 40% of the Gross Domestic Products (GDP) and

export earnings. Given the potential of oil palm in alleviating rural poverty coupled with the then GoG policy to support rural agriculture, the Government of Ghana acquired the land and set up the Ghana Oil Palm Development Company in 1975. Thus, the land for the project was initially acquired by government for the cultivation of oil palm which is consistent with the current activities of the company.

Additionally, oil palm development has over the years received significant policy support at least in principle although government's practical support to the sector has been marginal compared to cocoa. However, during 2001-2008, the government promoted oil palm development with a focus on smallholder production as a catalyst for rural poverty reduction and pro-poor development under the aegis of the Presidential Special Initiative (PSI) on palm oil.

These developments make the use of the land for oil palm plantation development incorporating smallholder and outgrower development very much consistent with the government policy direction on agriculture, rural poverty reduction and spatial land use planning of the area.

Impact statement

The findings from the field assessment, document reviewed and stakeholder consultations of this social impact assessment suggest that GOPDC operations have had positive impacts and continue to impact on communities and population of those communities in the company's operational area. On positive impacts, the findings demonstrate that significant positive impacts in the areas of employment creation, improving incomes of households through permanent and short term engagements as well as the smallholder and outgrower schemes have been made and continue to be made. The findings also suggest that development and business opportunities have also been made particularly in the areas of rural electrification, education and communication infrastructure. The inclusion of smallholder and outgrower schemes into the project design and implementation was also found to be consistent with the original project concept conceived and initiated by the Government of Ghana. This is also found to be consistent with the agricultural policies and planning and in particular rural poverty reduction as enshrined in the Ghana's Growth and Poverty Reduction Strategy II (GPRS II).

It must also be emphasized that the project has also had negative impacts or challenges on local communities and the populations who live in them. This is generally in the area of local populations' access to farmlands as the land being used for the project was originally being used for both cash and food crop farming by the local population of the area. Migrant population who have been affected have also been compensated through the government managed compensation scheme. Such impacts have persisted to date although those affected have been provided with an alternative income through inclusion of the smallholder schemes. In order to mitigate the negative impacts and to enhance the positive ones, recommendations have been provided by this assessment that GOPDC should adopt and implement to ensure that the project's potential to contribute to the socio-economic development of the communities in the catchment area is improved and ultimately an enhanced social acceptance and license for the project.

10 General Conclusions, Recommendations and impact statement

10.1 General conclusions and recommendations

Based on the findings of this assessment, it appears that although some negative impacts of GOPDC's operations exist, the communities and wider stakeholders generally admit that the company's operations have overall net positive impacts on the population and communities in the area and the Districts as a whole. In order to optimise the social impacts of the Company's operations, it is recommended that:

1. GOPDC should take a critical look into the recommendations for addressing key issues raised by various stakeholders (presented in Sections 5 and 7). This will go a long way to assist in enhancing the positive social impacts of the Company's operations whilst minimizing the negative ones.
2. GOPDC should develop a detailed **Social Impact Mitigation Action Plan** (with timelines, and possibly a budget) that incorporates the recommended impact mitigation measures.
3. As much as GOPDC seeks to undertake community development projects based on the proposals received from communities without the company's interference, GOPDC should go a step further to verify that the proposals from the communities were the result of wider community consultations rather than the machinations of a few people. This would ensure support for projects from all sections of the community and avoid the unpleasant situation in Kwae where the youth stalled the construction of a classroom block because they were not in favour of the site chosen by the chiefs and elders. In this example, it is quite clear that the youth were not consulted when deciding where the project should be situated. The youth, when consulted during the SIA explained that they were not against the construction of the classrooms but were against its siting.
4. GOPDC should continue to insist on directly implementing proposed community development projects rather than giving money to the chiefs and elders to implement them. This will avoid the situation in which funds given to the community leaders were not used for the intended projects and could not be accounted for (e.g. funds for renovating the palace in Asuom).
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6. GOPDC should collaborate closely with the various District Assemblies to identify areas of possible synergies for community development.
7. It was evident from the assessment that GOPDC does not actively communicate with local communities and other stakeholders. It is therefore recommended that the company should engage in a continual process of active stakeholder engagement and communication.

10.2 Impact statement

The findings from the field assessment, document review and stakeholders consultations of this social impact assessment suggest that GOPDC operations have had positive impacts and continue to impact on communities and population of those communities in the company's operational area. On positive impacts, the findings demonstrate that significant positive impacts in the areas of employment creation, improving incomes of households through permanent and short term engagements as well as the smallholder and outgrower schemes have been made and continue to be made. The findings also suggest that development and business opportunities have also been made particularly in the areas of rural electrification, education and communication infrastructure. The inclusion of smallholder and outgrower schemes into the project design and implementation was also found to be consistent with the original project concept conceived and initiated by the Government of Ghana. This is also found to be consistent with the agricultural policies and planning and in particular rural poverty reduction as enshrined in the Ghana's Growth and Poverty Reduction Strategy II.

It must also be emphasized that the project has also had negative impacts or challenges on local communities and the populations who live in them. This is generally in the area of local populations' access to farmlands as the land being used for the project was originally being used for both cash and food crop farming by the local population of the area. Such impacts have persisted to date although those affected have been provided with an alternative income through inclusion of the smallholder schemes. In order to mitigate the negative impacts and to enhance the positive ones, recommendations have been provided by this assessment that GOPDC should adopt and implement to ensure that the project's potential to contribute to the socio-economic development of the communities in the catchment area is improved and ultimately an enhanced social acceptance and license for the project.

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