

Antea Cement

Social Compensation Framework

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1. INTRODUCTION

- 1.1 The general accepted concept of “compensation” refers to a set of measures aimed to restore the irreversible social impacts generated an action or group thereof in a specific place, by creating a similar scenario to those affected, in the same place or in a different one.
- 1.2 The present document is a Framework for a “Social Compensation Plan” (SCP) focused on the main context, the measures and the process to be followed, in order to anticipate impacts of the ANTEA project in the local community and particularly the estimated as Project Affected People (PAPs) who have been considered to relate their current income with activities that take place in the wider area of the ANTEA project.
- 1.3 The final Social Compensation Plan will be designed to ensure that any users of land now pertaining to the project Antea who experience economic displacement through restriction of access to herb resources, lime resources and grazing land will receive fair compensation for any disruption to their livelihood. These users include herb collectors, herders and lime burners.
- 1.4 To develop this plan, apart from the ESIA study (December 2007), other relevant studies for the conditions in Albania have been considered, as well as examples of good practice from relevant European and sectoral initiatives.
- 1.5 The remainder of this framework outlines the objectives of the future SCP, the means of implementing and monitoring it and other social impacts, the criteria for eligibility for possible compensatory measures, and the main features which will be included in developing the SCP.
- 1.6 The SCP containing a full analysis of the budget, timetable, training contents and supplementary actions to be undertaken will be delivered after the “Communication and preparation stage” which is estimated to last 3 months and be concluded by April 2008.

- 1.7 Moreover, for the development of the proposed framework for Social Compensation Plan, a recent study issued by World Bank regarding the “educational and training conditions” in Albania has been considered as a reference document (www.worldbank.org)
- 1.8 Last but not least the document reflects TITAN’s approach to the issue as ANTEA belongs to TITAN Group and complies with the values and commitments of the Group.
- 1.9 The objectives and compensation packages agreed in the Social Compensation Plan will be in compliance of IFC and EBRD Policies and Procedures. IFC Performance Standard 5 addresses land acquisition and involuntary resettlement. It states that involuntary resettlement also includes economic displacement where land or other productive assets are lawfully expropriated, and that the livelihoods and standards of living of displaced people must be improved or at least restored. Compensation for lost assets must be provided promptly and at replacement cost, which typically means the cost of buying the asset locally plus transaction costs. Compensation plans must include a grievance mechanism. Displaced persons include those with formal legal rights to land, and those without them, but whose claim may be based on customary or traditional law. Even people without legally recognized claims to land may be compensated for lost assets

2. BACKGROUND

Overview of Project Affected Peoples (PAPs)

2.1 Stakeholder investigation and consultation revealed that there were 4 categories of households which might be affected by the project these included households which might:

- Loose the use of and/ or sell private lands
- Loose or have reduced access to state land previously used for rural activities and as a result suffer a significant income effect (i.e. more than 10% of income from the affected activity). This could apply to households with:
 - (i) All year herb collection activities on communal areas now acquired by the project;
 - (ii) Large scale grazing of sheep and or goats on communal areas now acquired by the project ;
 - (iii) Lime producers whose land may be acquired by the project.

In each case household income from the affected activity could potentially decrease.

Description of the ANTEA Project

2.2 The development of a new cement works and associated limestone and clay quarries has been proposed by Antea and the necessary permits obtained from the Authorities in Albania.

2.3 The project is located in the Municipality of Kruja, to the north east of Tirana. This is a rural area with scattered small villages of Brett, Burizane and Picrrage in the

municipality of Kruja. A reconstructed and extended road passes through the commune and town of Thumane, in the commune of the Thumane.

2.4 The project has a number of components these include:

- A flysch quarry at 1 km from Brett village
- A lime quarry and integrated 3 300 tpd clinker production line and cement production works both located at 2.5 km from Brett, 2.5 km from Picrrage and 5 km from Burizane villages.
- Two roads, the first connecting the flysch quarry with the main Tirana – Shkodra Highway, and passing close to Thumaya. The second road connecting the flysch quarry with the cement works. Large volumes of materials will be transported using heavy goods vehicles. Transport will be along these routes and the wider established transport infrastructure.
- Power line to the cement works
- Construction camp: The main contractor for the development is CBMI, a Chinese-based company who have significant experience in similar construction developments. A maximum of 700 workers will be on site at any one time. They will live in a specially constructed camp located adjacent to the construction site to the east of Burizana. The camp will have the necessary facilities (including recreational facilities) to make the camp self-contained.

Project Impacts

2.5 The main social impacts of the project fall into three phases: the planning and land acquisition phase, the construction phase and the implementation phase.

2.6 The land to be acquired by the project is identified in Table 2.2. The impacts assessment for land acquisition on PAPs is summarised in Table 2.1

Table 2.1 Categories of People Considered in the Assessment of (PAP) Due to Land Acquisition

Category	Number of households	Key impacts	Commune	Tenure of land
Landowners	3	Loss of agricultural land.	Thumaya	Private
Resettlers	1	Loss of dwelling and other assets.	Thumaya	Private
Lime producers	4	Loss of income generating activity due to loss of land	Land in Picrrage	State Land
Herb collectors	To be finalised in SCP	Loss of income generating activity due to reduced access to resources	Picrrage Brret Burizana	State Land State Land
Herders	4 3	Reduced living standard due to reduced access to grazing, lost production and lower income	Picrrage Brret	State Land State Land
Farmers	0	Loss of living standard due to lost access to agricultural land	-	-
	0	Loss of income generating activity due to loss of agricultural land	-	-

Table 2.2 Summary of Project Related Land Acquisitions

	Type of land	Area of land in hectares	Year bought or leased	Person or entity bought/leased from	Tenure of land before purchase / lease	Type of agreement
Area1	Plant site	65.75 ha	2007	An Agreement between the Ministry of Economy, Trade and Energy (MTEE) and ANTEA Cement was approved by Decision of the Council of Ministers (25/07/07)	State Land under Ministry of Environment & Forests and Kruja Municipality prior to MTEE	A lease agreement which allows the right of utilization of 224.6ha of state owned land by the quarries and cement plant for a period of 99 years
Area1	Lime quarry	99.76 ha				
Area1	Workers camp	To be built on lime quarry				
Area2	Flysch quarry	58.95 ha				
Area 3	Link road, Thumana to Flysch Quarry	4.876 ha	2007	0.48 ha from private individuals 4.394 ha is land belonging to the commune	Private ownership Owned by the Commune	Purchase for market price identified by valuation agency and agreed by all participants. Antea has an agreement with the Commune of Thumana for reconstruction of the existing road and its extension. An agreement state "The Commune of Thumana has the obligation to put at disposal the land, property of the Commune, that is needed for improving, widening and enlarging the road and to issue the authorization for the implementation of works, in compliance with article 26 of the Roads Code of the Republic of Albania".
Area 4	Link road, Flysch Quarry to Plant	Xx requested	2007	3% of the area is privately owned 97% is controlled by Municipality of Kruja		Private land and assets will be purchased at market price identified by valuation agency and agreed by all participants For land owned by the municipality an agreement will be made with the authorities.
Area 5	Land related to Power line	3km length	2007/8			Private land will be purchase for market price identified by valuation agency and agreed by all participants For land owned by the communes, an agreement will be made with the authorities.

2.7 The introduction of a large migrant workforce (of upto 700 people) in the construction period has the potential for significant impact on the local communities and economy. In the construction phase the potential impacts identified are:

- Camp infrastructure and utility requirements (provision of water, disposal of domestic wastewater and solid waste etc) may put pressure on local services, already stretched and with limited funding.
- Increased demand in the nearest villages for services (cafes and bars and leisure activities) from the construction workers the nearest local communities with commercial services will be Burizana and Thumana.
- Increased demand for transport to larger towns on weekends and in leisure time by the construction workers.
- Antea and CMBI expect to procure services and source limited local labour. These services are expected to include:
 - The purchase of fresh vegetables and meat/fish/chicken and foodstuffs (rice and flour, etc) from local market.
 - Employment of some local catering staff in supporting roles.
 - Hire of local transport
 - Potential demand and contracting of health services in Tirana and locally
- The changes in population related to construction may result in a potential increase in sexually transmitted diseases (STDs).

2.8 Once constructed the longer term impacts identified in relating to the different project components are expected to include:

- Lime Quarry and Factory Site
 - Employment changes and employment opportunities
 - Improved opportunities for electric supply and other infrastructure
 - Project affected people (PAP) and loss of income in activities related to grazing animals, herb collection and lime production.
- Flysch Quarry
 - Employment changes and employment opportunities
 - Improved opportunities for electric supply and other infrastructure

- Project affected people loss of income in activities related to grazing animals and herb collection.
 - New Road Project Site to Thumana and National road
 - Loss of land,
 - Loss of home and relocation,
 - Severance - division of agricultural lands by the new road
 - Potential safety issues to the public in relation to increased traffic and the speed of the traffic for road users (motorised and non motorised and pedestrians)
 - Opportunities for those by the road including increased land values; commercial opportunities for road side land;
 - Wider commercial opportunities for the community from better and faster transport communications;
 - Wider benefits related to changes in Municipal Revenue;
- 2.9 A more detailed description of these impacts in respect to the PAPs is included in the Socio-economic base line in section 4.

Mitigation measures

- 2.10 Incomes and livelihoods of households in Brett and Piccraga will be impacted by the project. Cumulative impacts on household income, from case study households information showed that impacts range from 7% to 50% of income in Piccraga. In Brett the range was 14% to 33%
- 2.11 Cumulative impacts on lime burners households were between 33% to 50%. For large graziers households impacts were 14% to 33% in Brett and 7% to 18% in Piccraga. For herb gathers household cumulative impacts were 14% to 33% in both Brett and Piccraga.
- 2.12 Compensation or mitigation should be sufficient to ensure that for large herb gathering households, this should mean that any lost income can be replaced at equal levels or better. For graziers, mitigation in what ever form, should be sufficient to compensate for the loss of productivity and income from the flock. Monitoring will be required to review the success of the measures and packages are developed.
- 2.13 There are a number of alternative means of mitigation available to reduce livelihood impacts. These are:

- (i) Lump sum payment, which the affected household can use for alternative investment, preferably and income generating investment, or to pay increased costs over a defined period;
- (ii) Annual payment which takes account of increased activity / livelihood costs;
- (iii) Training and skills improvement and assistance to people in finding work or establishing an enterprise to improve exiting livelihoods;
- (iv) Employment in an alternative activity with income equal or better than that lost.

The Preferred Option

- 2.14 These options and alternatives were discussed with village representatives and the affected peoples and other household members. The affected peoples said that they would prefer to have permanent employment with the new works. The interviewees said that jobs should be directed at the younger people and male members of the household, even if it were earnings from women that were being displaced. The reasons for this were based on traditional roles, and views expressed by male members of the groups, who were concerned for the women's safety in travelling and entering new environments.
- 2.15 Households with only female earners would not be in a position to nominate a man for such a position. Such households have problems due to high work loads on the women – of earning income as well as meeting family obligations and domestic chores. Younger daughters who might welcome the opportunity to become an employee may marry and become part of their husband's family.
- 2.16 When discussed in more detail women said that in some cases they would be able to take up the opportunity of employment, however it was indicated there might be difficulties for other women related to transport, child care, other domestic duties or permission of the husband. If Antea Cement is to offer meaningful work to those affected i.e. in particular women herb gathers, they will need to ensure that safe and secure means of transport is provided, consider the possibility of providing a crèche or child care, but most importantly look at options for part time and / or flexible working or job share schemes which would facilitate female working and / or allow 2 family members to participate / share a single job. It was also thought by men and women that suspicion relating to women working outside the village would diminish once a small number of women had demonstrated the feasibility of the option.

- 2.17 Although the preferred option from a PAP point of view is access to jobs at the Antea project, realistically employment opportunities will be limited and for a more skilled worker profile.

- 2.18 Livelihood restoration will be achieved through a combination of monetary compensation, training, capacity building and new employment opportunities.

3. OBJECTIVES OF THE SOCIAL COMPENSATION PLAN

3.1 The objectives of the SCP are as follows:

- Provide an effective and sustainable process to minimize impacts to those households considered as PAPs that have in the past benefited from activities within the area of ANTEA project and they will lose the opportunity to continue these activities in the future after the launching of ANTEA project;
- Improve or at least restore the livelihoods and standards of living of all persons experiencing economic displacement as a result of the construction and operation of the Antea project;
- Ensure that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected.

3.2 This compensation plan:

- Complies with Albanian regulations and IFC/EBRD Policies and Guidelines;
- Identifies and describes the characteristics of the different categories of project affected people and quantifies their numbers;
- Sets out the features of the compensation measures which will guide the final agreements determined together with affected persons during the consultation process;
- Describes the compensation processes and the organisations responsible for implementation;
- Identifies an implementation schedule, with clear action items, timing, responsibilities, monitoring indicators and outcomes;
- Maintains a relationship of mutual trust and communication with affected people in the area of influence;

- Implements a grievance procedure for Plan beneficiaries.

4. SOCIO –ECONOMIC BASE LINE OF PAPS

- 4.1 A description of the base line of the PAPS is provided below for lime burners, graziers and herb gatherers.

Lime Burning

- 4.2 Lime burning activities in the project area are restricted to 4 main households and their sons, 3 of the households now live in Burizana. The lime production activities were undertaken in 2006 by these households. All four households were interviewed. The households interviewed undertook lime extraction, wood gathering and burning in 2006. It is understood from visits in November 2007 that the area of these activities will fall within the project site and, or project related road development.
- 4.3 Historically much of the project area had been used by these families for lime production. As a result of the economic trends and increasing cost and effort in obtaining wood and obtaining a timely market, production has moved from this area towards established roads. Current lime production by the households is near to the rural road.
- 4.4 Lime production activities were not reported by the families as being undertaken in 2007. A number of reasons could have contributed to this including local employment by Antea, and migration by sons to work in Greece reducing the domestic work force and potentially improving household incomes.
- 4.5 Lime production has been a significant component of the cash income of these households (for 3 households it was in excess of 82% and for the fourth it accounted for 40%).
- 4.6 In addition to these households a number of households in Brett cut scrub and brush for sale to lime burners in other areas. In Piccra a number of households

are employed in traditional quarrying and lime burning activities. These activities can account for 50% or more of household income. These activities are undertaken in lime production areas near to Kruja, and are in areas that will not be affected by the project.

- 4.7 The activity of lime burning is discouraged by the government on environmental grounds.

Herb Collection

- 4.8 Herb collection is undertaken by approximately 75% of households in Picrraga. There is a smaller number of women who gather large quantities and who rely on a second gathering area (see the maps in Appendix 1). Based on discussions with the women and local reference points and sketch maps it is thought that potentially 12% (1/8th) of the primary sage gathering area and up to 50% of the secondary herb gathering area lies inside the project site. Women who invest considerable time in this, and for who this is a major activity can be identified as gathering large quantities, i.e. equivalent in value to ALL 100,000 / household or more. Those gathering less than this amount tend to gather over a more limited period (May and June, when growth is best and prices are highest) and/or for shorter periods of time (e.g. an hour in the morning and an hour in the afternoon) so keeping to the main gathering area and staying nearer to the village (i.e. not near the project area). Only those gathering large quantities need the extended areas to maintain their activity and so would be affected by the project.

- 4.9 The project could have the potential to reduce incomes of larger gathers by 25%. It should be noted that there is no restriction for people to continue gathering in other areas adjacent to the development site.

Graziers With Large Flocks

- 4.10 There are four graziers with large sheep flocks or goat herds which graze the area around Picrraga indicated in the maps of Appendix 1. It is considered, based on discussions using land marks and sketch maps that between 15 - 25% of the grazing area may be covered by the project site. To confirm this estimate Antea staff knowledgeable of the project boundaries would need to walk the Northern extent of the main grazing area and Western extent of the secondary grazing area.
- 4.11 The reduction in grazing area is unlikely to stop the livestock producers grazing their herds but may have a number of impacts related to nutrition depending on the change in grazing intensity and the ability of the grass sward to recover, and the implications this might have on flock / herd productivity and in particular the

quantity of milk produced and available for dairy products. The impacts are estimated in Appendix 2

- 4.12 In households with large flocks the whole family is involved in the activity. One or more sons will graze the animals, and transport the produce, whilst the women milk the animals and process the dairy produce, and sell it in Kruja.
- 4.13 One grazier interviewed with a herd of 80 goats, earned an estimated ALL 350,000¹ to ALL 500,000 from dairy products and sale of young kids for meat. Of this 30-50%² is accounted for by all year dairy product sales. In this household the grazing activity accounts for approximately 80% of the identified household cash income. Based on calculations set out in Appendix 2, it is estimated that the impact of a 25% reduction in area and nutrition would be between 21-35% of income related to losses in milk yields, and a 15% reduction in area and nutrition would be between 12-21% of income related to milk yields. A further reduction of 5-10% might be caused by losses in market weight of kids. In monetary terms a value of ALL 90,000-140,000 / flock of 80 goats.
- 4.14 However it is stressed these impacts are illustrative estimates only. They assume that the area is already fully stocked, and nutrition would be affected in proportion to grazing land lost. To be more precise a more exact estimate of land lost, the quality of the land lost and the general condition of the grass sward and grazing / stocking potential of the area is required.
- 4.15 A reduction in productivity due to poor nutrition could either be offset by feeding concentrate, the least costly but with limited nutritional value is bran from the mills.
- 4.16 As productivity falls graziers may give up production helping to restore the existing nutritional balance.

Summary of Impacts on Livelihoods

- 4.17 Incomes and livelihoods of households in Brett and Piccraga will be impacted by the project. Cumulative impacts on household income, for those case study households impacted, range from 7% to 50% in Piccraga. In Brett the range was 14% to 33%

¹ The lower value is based on estimates of milk production, product prices and animal sales, the higher figure is a total value identified by the producer.

² The difference is due to stated income from the flock is 1.4 times the amount estimated based on the quantities of milk produced and animals sold.

- 4.18 Cumulative impacts on lime burners households were between 33% to 50%. For large graziers households impacts were 14% to 33% in Brett and 7% to 18% in Piccraga. For herb gathers household cumulative impacts were 14% to 33% in both Brett and Piccraga.

5. DEFINITION OF CRITERIA OF A PAP

5.1 Criteria will be used to assess the eligibility of individual PAP and households for compensation. These criteria are established after considering: the base line information in the ESIA which set out the key issues; the problems inherent in identification; and the necessary justification of potential beneficiaries of the SCP. Eligibility will be based on the following minimum criteria :

- Age: Claimants should be of an age appropriate to a specific activity, i.e. between 15 years old and 75 years;
- Residency: Claimants should be residents of the area (proven by municipality records or other appropriate evidence);
- Location: Claimants should be members of one of the households in Brett or Piccraga or belong to households named in the ESIA in relation to land sales in Thumane;
- Other criteria: PAPs should be regarded by the other members of the community as a PAPs (word of mouth);
- Length of activities: Claimants should have evidence to show they have been undertaking the impacted activity for the last 3 years prior to October 2006;
- Significance of Impacts: The significance of income impacts will take into account the total household income, the scale of the impact on income from any one individual activity, the cumulative impact across activities.

5.2 Any claimant will need to agree to an interview to determine income and activity impacts, current skills and appropriate package of compensation. The form of compensation will take into account the impact generated, the loss of livelihood, the individuals specific circumstances, their skills and work experience.

5.3 Compensation packages will be tailored to minimize impact generated, restore livelihoods.

- 5.4 In cases where the compensation package includes training and capacity building, this will meet the needs of the individuals and the job needs of Antea.

- 5.5 The interview process is described in section 6.

6. MAIN FEATURES OF THE PROPOSED SCP

6.1 Our vision is to provide the people affected by the ANTEA project with the skills and competencies that will enhance their long term employability and development. Monetary compensation will be available to facilitate this and for those who are not in a position to take advantage of long term employability.

6.2 For TITAN Group corporate social responsibility is an integral part of its business strategy. The Group has a long and fruitful experience from its over 100 years of presence and responsible development in Greece. The proposed framework for SCP in Albania builds on TITAN's previous experience as well as best practices applied at both European and sectoral level.

6.3 The main features of the proposed SCP can be specified as follows :

- (i) Communication (60 days) – this will start with the launching of the ESIA public consultation process as per the PCDP and the consultation of the Social Compensation Framework Plan with PAPs. In this stage, potential beneficiaries will be invited to register and present documents related to selected criteria for the SPC.

Personal interviews to fully analyse the social profile, employability skills and competencies, as well as motives regarding employment opportunities will be conducted on behalf of ANTEA by a team of experts (sociologists, psychologists and training facilitators)

OUTCOME: Verification of the PAPs according to set criteria will be delivered at this stage. A list of project affected people will also be compiled at this stage.

- (ii) Preparation Phase (approx. 3 months) – this will start at the conclusion of the communication phase and aims at the full development of the Social

Compensation Plan according to the PAPs registered as beneficiaries and the overall analysis and specification of their social profile. A full analysis of the budget, timetable, training contents and actions to be undertaken will be delivered after this stage.

Different packages will be developed to meet the needs of all beneficiaries. Those of working age will have packages tailored towards work and training and capacity building. Those unable to take up such opportunities due to age or other reasons validated in the interview process will receive other monetary based compensatory packages. The details of packages will be determined in the preparation phase.

OUTCOME: A detailed Social Compensation Plan will be the deliverable of this stage.

(iii) Monetary compensation: Compensation packages can also include monetary compensation depending on the characteristics of the PAP and the type and magnitude of the impact generated. In addition and throughout the overall implementation of the SCP, PAPs will be compensated, in order to be able to engage in the training and capacity building for employment. Till the completion of the SCP all eligible beneficiaries will be provided with a “fund” which will enable them to live as before and the final estimations of this “fund” will be considered in the “Preparation Phase” of this plan.

(iv) Development of target oriented training schemes : Capacity building for employment. A modular training program to meet employment needs and/or services needs will be developed for training the selected groups in accordance to their job preferences and their capacity for employment.

The group of beneficiaries will be divided in sub-groups of 7 to 15 trainees. Groups will be introduced to the training modules which are expected to cover all necessary aspects and topics to ensure people meet the necessary skills required.

Throughout the training period all groups will be supported by a team of experts who will provide counseling and orientation for employment and self-employment opportunities.

It is emphasized that this training is for capacity building purposes and is not linked to guaranteed employment. Experts will provide orientation as described above.

(v) Enhancing “self-employment” – Supporting SME’s creation

The opportunity for micro loans to support small business development by eligible beneficiaries will be offered in co-operation with local Banks and funding organizations. To meet this aim TITAN will seek co-operation with World Bank and European Union authorities.

7. ORGANISATION AND MANAGEMENT OF THE SCP

- 7.1 ANTEA will have the overall responsibility for the organization and management of the SCP. To anticipate to the demands of the project ANTEA will cooperate with the Corporate Social Responsibility Department of TITAN Group while a dedicated high profile project manager will be appointed to undertake the co-ordination and support of the SCP implementation. This manager will have the appropriate qualifications to ensure an efficient implementation of the SCP
- 7.2 The communication plan will include information to stakeholders about the process to be undertaken in developing the details of the SCP
- (i) Incorporating comments and concerns from the ESIA and SCP consultation into the detailed SCP and its organisation and execution.
 - (ii) When, how and where potential beneficiaries should register and
 - (iii) How interviews will be arranged and any specific information that will be required
 - (iv) Any changes to the existing grievance mechanisms in place for the ESIA.
- 7.3 This information will be presented at the ESIA exhibitions and presentations scheduled for March 2008. Leaflets will be made available at these exhibitions and through village representatives (in Piccraga, Brret, Burizane and Thumane).
- 7.4 The project manager will also be responsible for developing a monitoring plan identifying expected outcomes, indicators of success, the mechanism for monitoring, its frequency and additional resources that will be required. This will be prepared for the April 2008.

8. GRIEVANCE MECHANISM

- 8.1 A Grievance mechanism will be developed and will be in place to address any concerns of PAPs. The primary objective is to ensure the Project responds to any complaints made against the Project, including contractors and subcontractors, in a timely manner to avoid or minimize any potential for conflict or judicial processes.

9. MONITORING AND EVALUATION OF THE SCP

- 9.1 To enhance the efficient and successful implementation of the SCP a monitoring and evaluation process will be undertaken to monitor progress as it occurs and to review the outcomes of each stage. Antea will ensure that a report will be developed summarizing the results of each stage to be communicated to Antea's Management as well as to other interested parties (i.e. Liaison Committee and the related Committee established for the Communication of the ESIA and I).
- 9.2 The purpose of the monitoring plan will be to verify that:
- Actions and commitments described in the SCP are fully implemented and on schedule
 - PAPs receive their full compensation entitlements within agreed timeframes
 - SCP actions and compensation measures are effective at restoring or improving the PAPs living standards and income levels
 - If necessary, changes in the SCP are made to improve delivery of entitlements to PAPs
 - Complaints and grievances lodged by project affected people are followed up and that where necessary, appropriate corrective actions are implemented
- 9.3 A local liaison committee will be established to review the effectiveness of the SCP implementation. Members of the liaison committee should be appointed from the work camp, and representatives of PAPs, local leaders and/or representatives from: Thumana, Burizana, Brett and Picrraga and an Antea representative. The committee would review the progress by of the SCP in meeting the aims and actions plans identified for the various project components. The committee will held scheduled meetings to discuss implementation of SCP. This meetings need to ensure participation of PAP representatives.

9.4 The monitoring plan used for the SCP consists of three key elements, which are:

- Internal monitoring by Antea project manager and Liaison committee;
- Monitoring by IFC/EBRD independent social consultants;
- SCP Completion Audit by an independent social consultant;

The scope of each type of monitoring will be described more in detail in the final SCP.

9.5 In addition to the elements above, periodic reporting for monitoring purposes will include:

- Monitoring and quantifying the benefits to PAPs (e.g. the number of PAPs employed in Antea per year; the number of PAPs with other new employment opportunities; the number of PAPs self-employed; the number of PAPs providing services to Antea, etc);
- Grievances and resulting actions;
- Monitor the progress of compensation action plan (to be developed). This would cover both the compensation process for all those identified as PAPs in the introduction (i.e. in relation to the road, the quarries and plant);

9.6 Antea will monitor the on-going situation of PAPs after compensation. Beneficiaries will need to agree to periodic monitoring interviews. Monitoring information will be compared with base line interview data to monitor the effectiveness of project mitigation and compensation measures and the changes in employment and income. Particular attention will be paid to the situation of vulnerable people and households. The monitoring should review the extent the impact of the project and compensation provided may have improved or reduced local livelihoods. The results and findings will be made available to the liaison committee. A detailed monitoring plan, and materials will be submitted as part of the communication and preparation phase.

9.7 On the basis on the monitoring information and summary report the liaison committee will review and assess the need for further mitigation action or modifications to the planned compensation and mitigation and agree this with Antea.

- 9.8 The establishment of appropriate indicators within the SCP is essential to track livelihood restoration and effectiveness of the implemented actions. In keeping with IFC/EBRD policies and guidelines, key performance indicators for monitoring are expected to be divided into three categories:

Process

- 9.9 Indicators that represent the change in the quality and/or quantity of the activities aimed at maintaining or improving livelihoods. Some examples include: (i) creation of a grievance procedure; (ii) creation of a liaison committee; (iii) promote participation of other people in Project activities; or (iv) the implementation of community investment projects.

Outcome

- 9.10 Indicators are expected to include the delivery of compensation, and other mitigation to avoid economic displacement caused by the Project. Outcomes are a measure of whether the compensation projects result in a sustained source of income. Examples of outcome indicators are expected to include: (i) successfully delivery of training programs; (ii) successfully deliver capacity building programs; (iii) restoration of overall income levels; (iv) Number of PAPs directly employed by Antea, (v) Number of PAPs employed by contractors working at Antea project; (vi) Number of PAPs self – employed; (vii) Number of PAPs providing services to Antea.

Impact

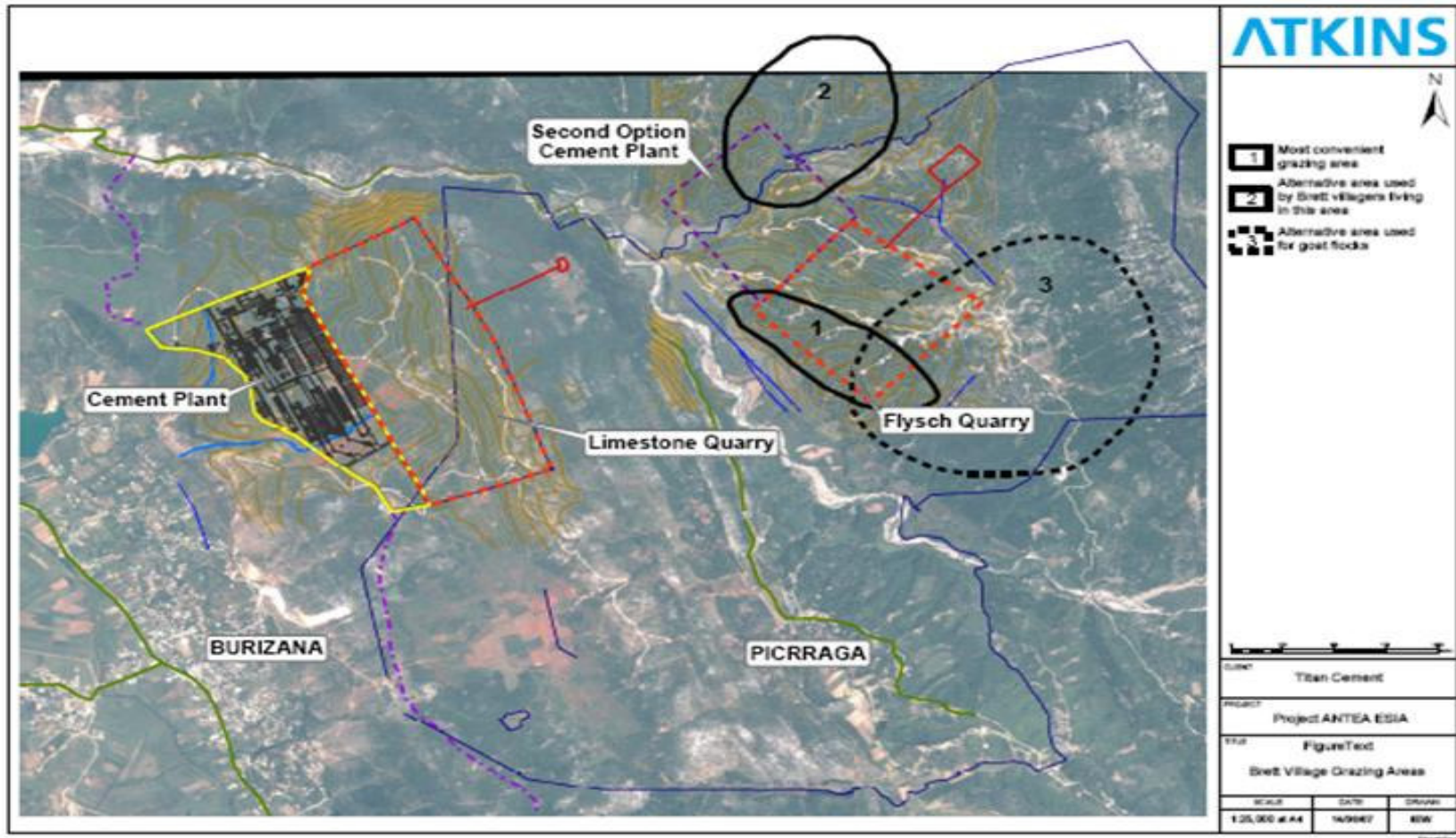
- 9.11 These indicators should be designed to determine any medium to long term changes in living standards, conditions and behaviors. Ultimately, these indicators should demonstrate whether the SCP has delivered its objectives of maintaining or restoring baseline socio-economic characteristics. Impact indicators are likely to include restoration of income levels and an assessment of whether outcomes can be maintained beyond construction.
- 9.12 8.7Monthly reports on key milestones and indicators will be provided to Antea management, the liaison committee and PAPs

10. SCP COMPLETION AUDIT

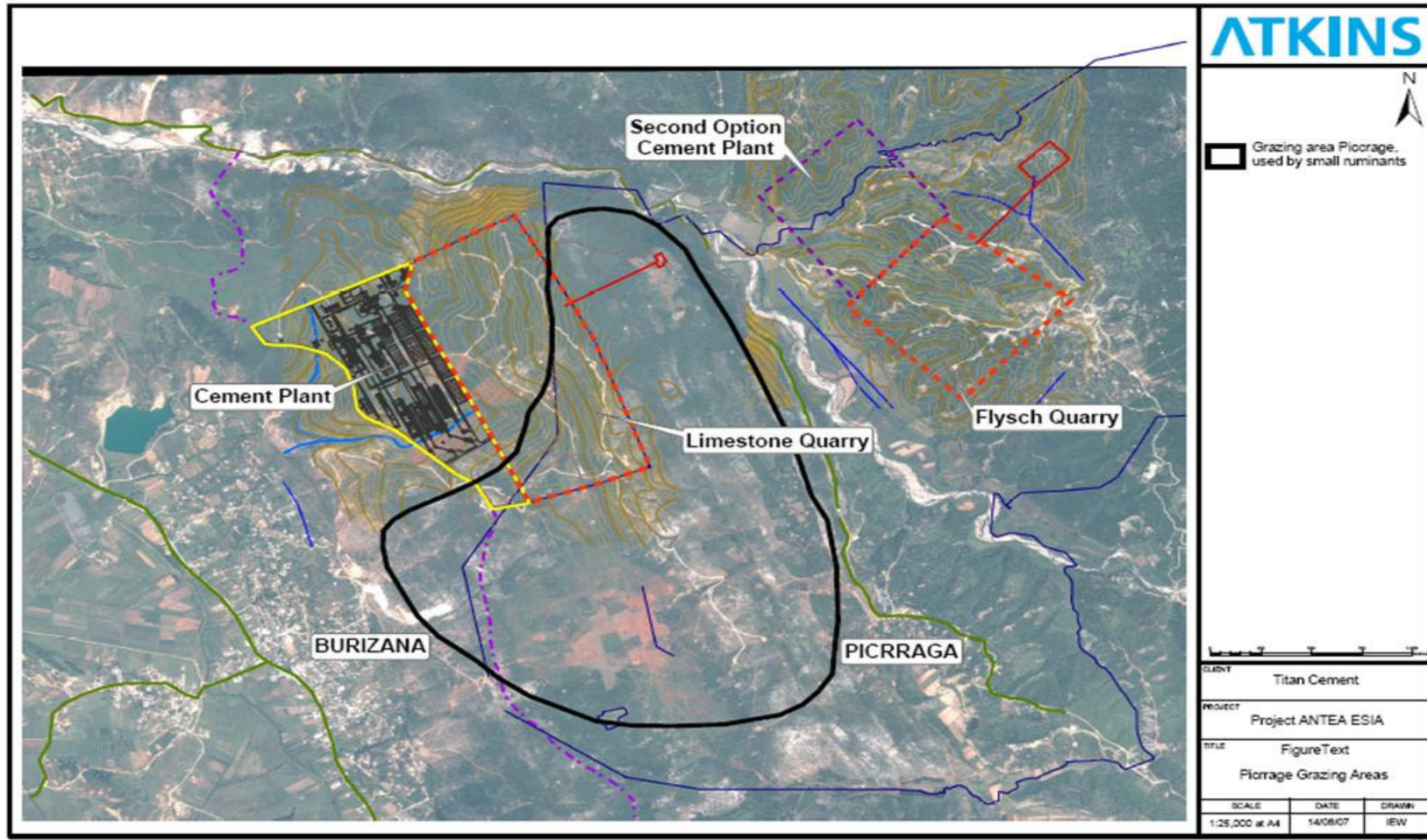
- 10.1 A key objective is that compensation plan and mitigation measures should lead to sustainable restoration or even enhancement of the project affected people pre-project living standards and income levels.
- 10.2 Only when the PAP's quality of living standards and income levels can be shown to have been restored in a lasting manner, the whole process can be deemed to be completed and can be closed out.
- 10.3 Antea will consider that livelihood restoration will be complete when alternative sources of income have been secured. This will be linked to separate but associated with community investment initiatives which by this phase of the Project should be mature and well established.
- 10.4 It is expected that the close-out audit will take place when the PAP's livelihoods are restored or improved.

**APPENDIX 1: MAPS OF GRAZING AND HERB
GATHERING AREAS IN PICCRAGA & BRRET**

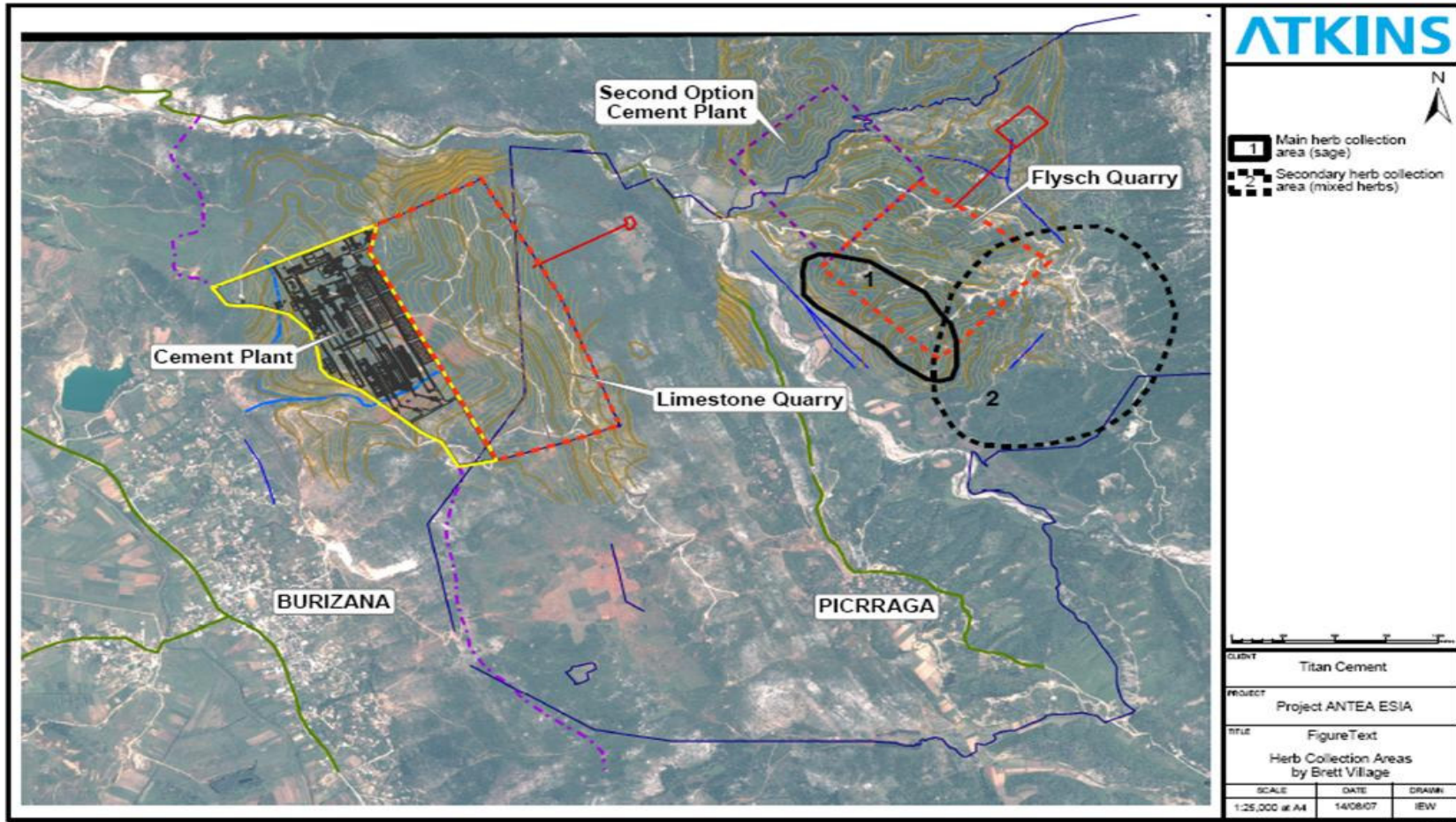
APPENDIX 1.1: BRETT VILLAGE GRAZING AREAS



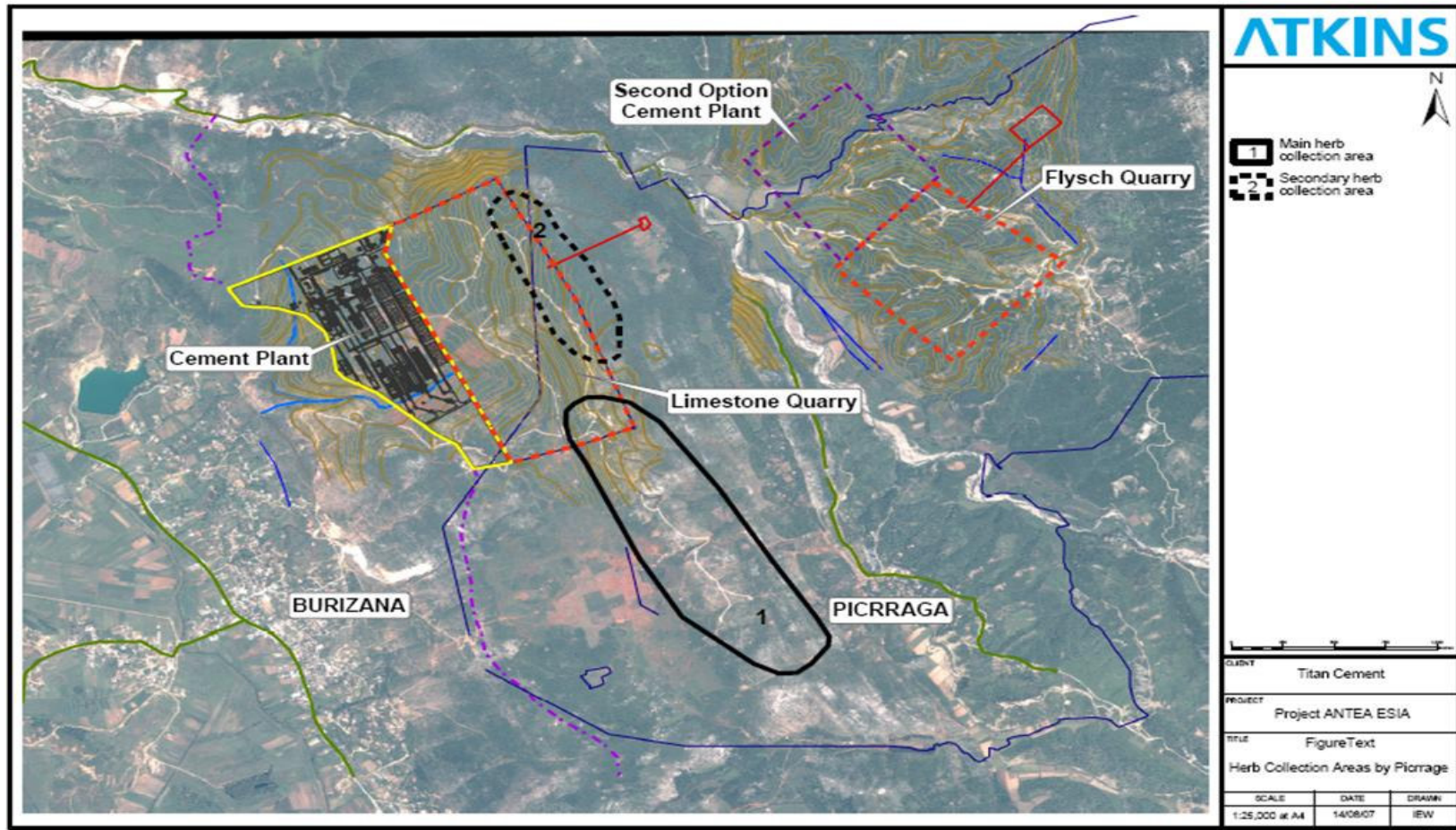
APPENDIX 1.2: PICRRAGE GRAZING AREAS



APPENDIX 1.3: BRETT VILLAGE: HERB COLLECTION AREAS



APPENDIX 1.4: PICRRAGE: HERB COLLECTION AREAS



**APPENDIX 2: ESTIMATED IMPACTS ON HERD/FLOCK
PRODUCTIVITY**

SMALL RUMINANT PRODUCTION

Interviews were undertaken with two households one with a herd of 80 goats (Picrarge) and the other with a smaller flock of 40 sheep (Brret). They were asked to indicate the areas that their animals grazed. This is shown on location maps in Appendix 1.

Information gained from the goat herd indicates that from a herd of 80 goats composed of:

Table.1 – Example of goat herd structure

	<1yr	1-2 yr	Adult
Male	17	0	1
Female	18	8	40
Total	35	8	41
Sales (consumption)	15 (8)	0	0
Birth rate (twinning rate)	-	-	75% (20%)
Mortality Rate	10%	Na	na

Source: Case study interview

Two cases are examined affecting productivity the case where it is assumed that a reduction of 25% of grazing area will reduce Metabolisable Energy (ME) intakes of existing flocks by an equivalent amount.

Case 1: Assume a 40 kg female yielding half a kg milk per day. Maintenance requirements are 6.75 MJ ME and milk production requires 3.74 MJ per day. Total requirements are 10.48 MJ ME. Reducing ME intake by 25% = 7.86 MJ ME. Maintenance must remain the same (this takes priority over milk). Therefore $7.86 - 6.74 = 1.12$ MJ ME which is sufficient for 0.15 Kg milk, this is equivalent to a 70% reduction in milk yield. Other effects of reduced nutrition on birth rates, growth rates and weights, and on health could also be expected but are not identified.

Case 2: If is assumed there is a 15% reduction in land and on nutrition the same process results in ME available for milk production on 2.2 ME, resulting in a yield of 0.3kg/ female and a reduction of 42% in milk yield. Again other impacts on birth rates, growth rates and weights, and on health could also be expected but are not identified.

Dairy production and products account for 30-50% of the income generated by the herd. Hence the impact of a 25% reduction in area and nutrition would be between 21-35% of income, and a 15% reduction in area and nutrition would be between 12-21% of income.

Based on similar scenarios the effect on growth of kids can also be estimated.

These estimates are subject to the assumption that the current grazing areas is fully stocked i.e. it is not being under grazed.