



SDGs EMERGING PRACTICE GUIDE

EXTENDED FIRST EDITION



Global Compact
Network Canada

Canada 

1 NO POVERTY



In this Section:

- Golden Star Resources | Page 8
- MEDA | Page 12

Golden Star Resources Limited



The Golden Star Oil Palm Plantation (GSOPP) was established in April 2006 as a non-profit subsidiary of Golden Star.

GSOPP promotes the development of oil palm plantations amongst our host communities, using the smallholder concept, in partnership with Traditional Authorities and affected farmers, and with the support of the agro-forestry industry and other partners.

Through GSOPP, we continue to advance the businesses objectives of reducing poverty through employment generation, and promoting wealth creation through sustainable agri-business. Funded by Golden Star through US\$1 per ounce of gold produced, to date we have directed over \$6.6 million to this important initiative.

Over the last three years, GSOPP has passed a number of significant milestones truly demonstrating the impact and sustainability of this important social enterprise initiative:

- Plantations reached over 10 years of age – demonstrating long-term commercial viability;
- Farmer Associations have been established and recognised as industry leading practice;
- The GSOPP beneficiary age has reduced, demonstrating the program is a viable alternative livelihood for youth;
- Farmers who were formerly on the poverty line, now enjoy farm revenues well in excess of this level;
- Consistent application of best farm management practices ensures yields are more than 3 times the small-holder average for Ghana;
- Commencement of a micro credit scheme for beneficiaries, that will act as savings model for future re-planting;
- Some 28% of the farm workforce are female, and 36% youth (<45 yrs) – demonstrating diversity and inter-generational equity;

GSOPP is a landmark initiative in Ghana, utilising former subsistence farms to generate high-value cash crop. The demonstration of sustainable alternative livelihoods is a developing world imperative, necessary to reduce the prevalence of illegal mining with its inherent environmental impacts and land use conflicts.



How was your primary SDG focus identified and prioritized in the company's value chain?

Golden Star, as a signatory to the UNGC since 2005, has consistently applied the principles, MDGs, and now SDGs to drive our corporate responsibility agenda.

The GSOPP model, is the company legacy, intended to last well beyond the life of our mines, as a lasting testimony to the role the extractives sector should play in economic development.

More meaningful than infrastructure alone, GSOPP is a social enterprise initiative, designed to build capacity in a sustainable and traditional way that has significance for our host communities. Benefits to the company also flow from the initiative, including maintenance of social licence and discouragement of conflicting land uses.

The Western Region of Ghana, where our mines operate, is known as the oil palm belt of Africa. Oil palm is indigenous to Ghana, and is traditionally a major export.

GSOPP is established solely on former subsistence farms, with no forest land take. Indeed, the GSOPP model goes further, as GSOPP does not own the land upon which the plantations are established – rather, GSOPP is a partnership with Traditional Owners, ensuring benefits are shared in an equitable way.

The revenue sharing model for GSOPP provides 5% of profit to Traditional Owners (a customary land tenancy amount), 20% to loan repayment (ploughed back into ongoing plantation establishment) and 5% to GSOPP for plantation administration (including road upkeep). All remaining profit directly benefits beneficiary farmers!

The VP-CR reports annually to the Golden Star Board on the performance of GSOPP with regards to our objectives for poverty reduction.

How was your primary SDG integrated and anchored throughout your business?

The goal relating to No Poverty is anchored in the Golden Star business in many ways, and as an example of real interdependence, the objectives for GSOPP simultaneously assist Golden Star more broadly in our core business.

In Ghana, as elsewhere in the world, there is considerable tension over land access and uses. At the same time, great expectation follows the arrival of a mine in a host community, and whilst it may be desired, a company cannot employ everyone who wants work in the mine.

As a synergy of our mining business, Golden Star determined to develop a model for sustainable alternative livelihoods, to demonstrate to host communities, that good reliable incomes can be made outside of the mining industry, and that people need not turn to illegal mining to be successful, if they cannot find mainstream employment.

Our commitment to GSOPP and its goals for poverty eradication, are demonstrated in our Community Development and Support Policy, and our contribution of \$1 per ounce of gold produced being directed to GSOPP, for a total commitment to date of over US\$6.6M. Additionally, GSOPP and its objective to end poverty is integrated and anchored in our business in the following way:

- GSOPP leadership report directly to the VP, Corporate Responsibility.
- Key members of the GSOPP Board hold positions within the company.
- GSOPP reports routinely on achievement of its targets for poverty reduction.

This is in addition to other programs through our mining business on wealth creation, value retention and benefit sharing.

Did you employ any innovative approaches in your efforts to implement the goal?

The entire GSOPP is innovative. Within Ghana the government and private sector have a long history of working towards developing a lasting, social enterprise initiative to provide employment and reduce poverty.

Built upon previous, less successful models in the country, the GSOPP concept was developed to address the myriad of seemingly conflicting needs of projects of this type:

- Buy in and partnership with Traditional Landowners;
- Modalities for ensuring consistent application of international best practices;
- Structured in a way to ensure regular, high-value income to participants;
- Company need to avoid displacement (as a company that ascribes to IFC Performance Standard 5);
- Equitable and fair involvement of genuine host community members (not internal immigrants);
- Revolving model, where loan repayments fund plantation expansion allowing for new participant beneficiaries;
- Identification of partners who support our intent for GSOPP – that of host community benefit.

The GSOPP model is now widely regarded in Ghana as one of the very few projects of its scale, that has successfully leveraged these aspects (formerly considered constraints), to become assets of the approach.

In fact, in 2018 alone, Golden Star and GSOPP hosted numerous study tours and groups to review the model and its milestone successes, including:

- Ministry of Trade and Industry
- Minerals Commission
- 1D1F – Initiative of the Ghana Government
- Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ)
- The Canadian High Commission
- The Solidaridad Network
- Newmont Gold Corporation.

The expansion of GSOPP into former mined lands in 2017 and 2018 has separately been recognised by the Canada Mining Innovation Council as innovative.

Were any partnerships leveraged or created?

The very model of GSOPP is one of partnership. Golden Star is a private company that has established a not-for-profit business - GSOPP. GSOPP (provides start-up capital, systems, standards, management, and agronomic expertise) partners with Traditional Landowners (provide land), beneficiary farmers (operate the farms), host communities (supply farm labour) and the agro-forestry industry (who provide extension support and specialized industry expertise, as well as act as downstream market).

GSOPP receives the support of the agro-forestry industry in several specialized areas of agronomics, including foliar analysis, soils analysis, pest and disease control. These services are provided to GSOPP for free under the partnership. GSOPP has been invited to participate in the much awaited Tree Crops Development Board and various oil palm and cashew alliances.

Other key partners of GSOPP in the past three years have included GIZ (aid agency) who have partnered with Golden Star and GSOPP to bring numerous social welfare and health programs to the GSOPP beneficiaries. In 2018, through one such partnership, GIZ matched Golden Star funding with donor funding for long-lasting insecticide treated nets (for malaria reduction). Golden Star issued its nets to its workforce and GIZ matched that funding with 3,000 nets for host community, from which all GSOPP participants (beneficiary farmers and farm workers) received a family sized net (in Ghana most families sleep in a single room all together). In another partnership with the Solidaridad Network (aid agency), GSOPP has been supported with programs on agronomics and out-grower programs, to expand GSOPP outreach.

What communications strategy did you employ to share the initiative with your stakeholders?

The Traditional Owners enter into an MOU allowing GSOPP use of the land for plantation, ensuring FPIC principles are upheld. GSOPP, with the Golden Star contribution, develops the plantations on the lands offered using a local labour pool from the host community, creating immediate employment and stable incomes for households on the plantation.

After 4 years of development under GSOPP management, the plantation reaches income level, and 4 Ha plots are allocated. The selection of beneficiaries is based on impact and resident status, and is conducted by a panel comprising landowners (2), GSOPP (2), elected official for the area (1) and 2 observers (chief farmers). GSOPP continues to provide management and support to farmers, and the farmers receive an interest free loan to develop their plantation.

Tenancy agreements are established with farmers incorporating loan re-payment, obligations for maintenance, harvesting and sale of farm proceeds. The interest-free loan repayments are directed back into GSOPP for continued operation, and expansion.

With this concept of partnership, the major issues confronting land tenure associated with large scale agricultural developments are to a greater extent minimized.

GSOPP has a structured approach to communications including:

- Monthly Farmer Association and field advisory meetings with smallholder groups
- Periodic field demonstrations.
- Regular field inspection with smallholder farmers
- Production and issuance of Farmer Loan Statements
- Annual meetings with agronomic industry experts
- Production performance review meetings

In addition to these elements of communications strategy, Golden Star maintains a separate three-tiered consultation structure and grievance mechanism as required by IFC PS 5.

How were KPIs and the levels of success outlined and defined?

Some key measures of impact and success were identified as follows:

- Impact on poverty eradication – beneficiaries earn well above the living wage for Ghana (2018: 860-900 GHc per month).
- Traditional landowner support in the form of agreement for use of land – some 6000 Ha of land now committed.
- Improvement in financial security of participants - formerly poverty stricken farmers now earn 4.7 times the mean consumption level and more than 17 times the Ghanaian poverty line. In real terms, farmers earn more than District Education heads.
- Farmer social security elements –most had no bank account, no insurance and no savings. Now all now have bank accounts, more than half have National Health Insurance (was higher prior than 2018 as the Government ran out of insurance cards), and most now have savings.
- Land use acceptability – where illegal mining was previously considered the only high value earning alternative to formal mining, GSOPP is now upheld as a viable alternative. This is most evident in the fact that despite wide-scale devastation in the country generally for illegal mining, at no point in time have the GSOPP plantations suffered any incursion from illegal miners.
- Multiple and sequential land use – with the expansion of GSOPP into former mined lands, i.e. two former tailings storage facilities of the company, Golden Star has demonstrated that one high value land use (mining) does not have to displace other high value uses, if sequential land use principles are applied.
- Intergenerational equity – most participant dependents are now in school (>80%), most farmers have successors identified (89%) and most successors are trained on oil palm cultivation (60%).

How were reporting and monitoring conceptualized and undertaken?

GSOPP is a subsidiary company, registered with and governed by the laws of Ghana. As such, GSOPP reporting and monitoring covers three primary arenas.

Firstly, GSOPP must operate as company and comply and report according to all relevant company law, including Board reporting, financial reporting and similar.

Secondly, as a commercial scale agricultural company, monitoring and reporting on various agronomic metrics, sales and revenues is conducted.

Thirdly, as the leading social enterprise initiative of Golden Star, additional reporting and monitoring occurs to ensure achievements of the objectives of poverty reduction and wealth creation. This is conducted in the following ways:

- Baseline and periodic socioeconomic impact assessments are carried out;
- Routine agronomic metrics are collected, analysed and reported on;

- Routine field evaluations are conducted to ensure conformance to best farm management practices;
- Engagement and consultation with beneficiaries and participants to understand needs;
- Development of Farmer Associations – to ensure internal mechanisms for self-monitoring and reporting are established;
- Programs to monitor the evolution of GSOPP towards future objectives, such as:
 - Organic growth
 - Downstream processing
 - Farmer succession planning
 - Future re-planting
- Monitoring and reporting on impact based KPIs (see previous section);
- Monitoring of systems such as those for communications, grievance and incidents.

With the support and advice of our various partners, GSOPP has continued to grow and evolve, and new methods of monitoring and reporting have been implemented over time.

What were some key lessons learned? Please also elaborate on any setbacks you may have encountered.

Key lessons learned:

- Most small-holders in Ghana plant wildings (harvested from the wild), which do not always achieve the yield of nursery farmed high yielding varieties;
- Participants require regular income (which the model provides for);
- Participants respond well to agronomic extension activities;
- Diligence and persistence is required to ensure adherence to best farm management practices - systems must be in place to ensure defaulting cannot occur to reduce risk to the entire plantation;
- The system of farmer loans ensures ownership, commitment and pride in success – these are key to the viability of the social enterprise initiative;

- The GSOPP model for engagement and agreement (MOU) with Traditional Landowners ensures land access, prohibits conflicting land uses from being allowed, and ensures 'ownership' by these critical stakeholders;
- Obtaining fertilizer on credit frees up capital for annual plantation expansion;
- Collaboration and partnership with NGOs, aid agencies, private and public sector, has dramatically enhanced the sustainability elements of GSOPP. These partnerships leverage the best of the partners for the benefits of host communities.

GSOPP has not encountered any real set-backs as considerable time and energy has been spent to ensure a robust and viable model for development. If the host community were engaged on this point, they would highlight that having additional funding to accelerate the rate of expansion would be desirable, so more people can benefit!

What were the key impacts and results? Feel free to include links to external reports or sources in your answer.

Key impacts:

- Over 750 employed - 317 farmers and 430 workers. More than either of our mine businesses!
- Yields 3 times Ghanaian small-holder average – industry leading practice for Ghana.
- Developed on former subsistence farms - no damage to land of conservation value.
- Almost a third of participants are female. 7% of farmers are under 30 and 36% under 45 years of age.
- 1,133 hectares of oil palm plantations are established in ten host communities.
- Production at a modest 529 t in 2010 has increased to over 10,000 t in 2018. Since 2010, 63,761 t has been produced realizing significant revenues to farmers and regular wages for workers.
- Farmers earn ~ 14,016 Ghc pa, 17 times the poverty line and well above the 2018 Ghana living wage.
- > 80% of farmer and worker dependents are at school.

Sustainability:

GSOPP has successfully:

- Established Farmer Associations at all plantations.
- Inaugurated a micro credit scheme in a country where credit is difficult to access.
- Commenced organic growth into former mined lands - recognised by Canada Mining Innovation Council.
- Documented a business plan and case for downstream processing.

Recognition:

GSOPP has received national and international recognition:

- 2008 Nedbank Capital Green Mining Award (Limited Resources Category) – first time this was ever awarded outside of South Africa.
- 2018 PDAC Environmental and Social Responsibility Award winner – Golden Star (incorporating GSOPP).
- 2018 Ghana Mining Industry Awards - Best Performer in Corporate Social Investment.
- Recognition at three Ghanaian National Farmers Day celebrations.

Links

- [Tenth anniversary of GSOPP blog](#)
- [GSOPP winner of Ghana Mining Industry Award for Corporate Social Investment](#)
- [2018 PDAC Environmental and Social Responsibility Awards winner video](#)
- [GSOPP Portfolios](#)

